1990 Annual Report

The Coca-Cola Company

A Global Business System Dedicated to Customer Service

The Twelve P's
A Journey to the Bottom Line

Having Company People

full of Purpose

in association with the right bottling Partners

serving our customers and consumers with a Passion

while marketing the right Products

in the right Packages

at the right Price

with the right advertising Pull

and the right Promotional Push

Produces Profits

The Coca-Cola Company

1990 Annual Report

Cover:
The Kosciusko Chalet in Australia's Snowy River area is one of the more than 9 million customers providing the vital link between our global system and the people who enjoy our products.

Message to Shareholders

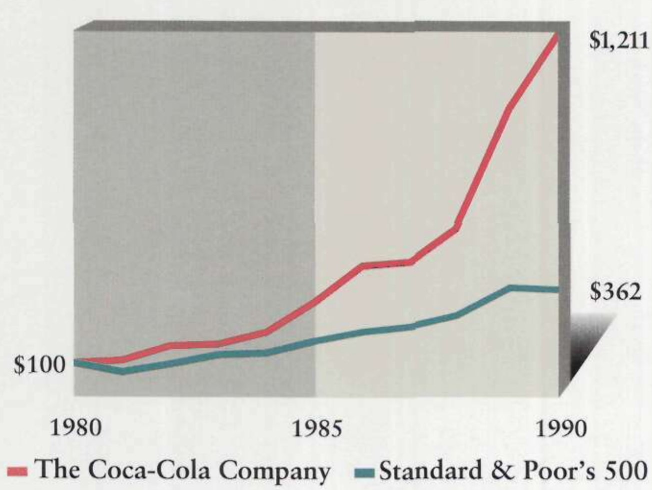
Last year, our share price gained 20 percent against the backdrop of a U.S. stock market which was down almost 7 percent, as measured by the S&P 500. Adding the annual dividend of 80 cents per share to the stock price appreciation gave our shareholders a yearly total return of 22 percent...and this following a 76 percent return in 1989. As a matter of fact, in the two-year period January 1, 1989, to last January 1st, our stock price doubled.

In 1990, the market value of The Coca-Cola Company *increased* by $5 billion, an amount greater than our *total* market value in 1981.

These numbers clearly indicate that investors have developed the confidence that even in times of economic uncertainty, our business can still grow rapidly and profitably. Last year, income per common share increased 22 percent, excluding nonrecurring items, and return from continuing operations on common shareholders' equity exceeded 39 percent, the highest return in more than 50 years. Net income available to holders of common stock reached $1.4 billion, excluding nonrecurring items, an increase of 18 percent. Our system's share of worldwide carbonated soft drink sales, expanded to include carbonated flavored waters and carbonated sports drinks, reached a new high of 44 percent, as our unit case sales grew 7 percent to more than 9 billion cases. For 1991, our Directors voted to raise our annual dividend 20 percent to 96 cents.

Total Return vs. S&P 500

Appreciation plus dividends on $100 investment on 12/31/80. From 1981 to 1990, the Company's common stock outperformed the S&P 500 by more than 3-to-1.

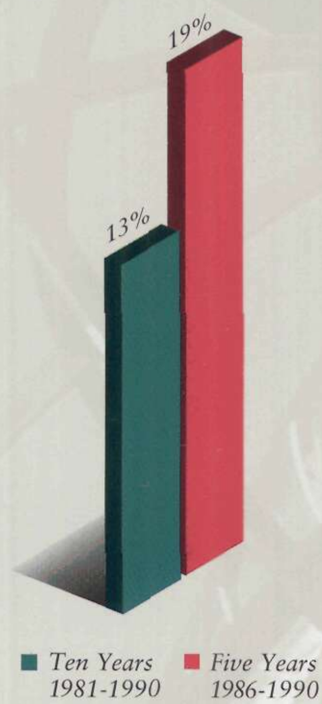


The results in 1990 continue the momentum of the 1980s. We stepped up the pace of earnings

At The World of Coca-Cola, Roberto C. Goizueta (right), Chairman, Board of Directors, and Chief Executive Officer, and Donald R. Keough, President and Chief Operating Officer

growth during the last decade, especially over the past five years, as the accompanying graphs indicate. Since 1985, income from continuing operations has grown at an average annual compounded rate of 19 percent, and income per

Compound Growth Rates Income from Continuing Operations



common share from continuing operations has posted an average annual compounded growth rate of 23 percent. The returns generated by our business have grown with the acceleration in earnings. Return on shareholders' equity has grown 19 percentage points since 1980, and the price of our common stock has increased at an average annual compounded rate of 24 percent, to eight times what it was 10 years ago.

Our excellent results are now history, and it is time to look ahead. Although we cannot foretell the future, we approach it with the premise that in the coming years organizations will be successful to the extent of their effectiveness in managing or coping with change. Historically, how complexity got handled by-and-large determined performance. It is our belief that, in the future, fast change, even chaotic change at times, will pose an equal, if not a

Compound Growth Rates Income per Common Share from Continuing Operations

Return on Equity

greater, challenge. If our premise is correct, then organizations must be sharply *focused*, *flexible* and capable of *fast reaction* to external forces to succeed in this environment that we foresee.

As to *focus*, there are not many large companies whose attention is more tightly riveted to a business than ours is to soft drinks, as well as to our customers and consumers. Our *flexibility* is being amply demonstrated by how we are going about strengthening the worldwide Coca-Cola bottler system by doing what is advisable on a country-by-country basis to achieve this objective, rather than by blindly following a master formula or a centrally conceived grand design. And *how fast our business system can react* to unexpected change was in evidence when cases of Coca-Cola were being transported by the truckload and sold in the eastern

Closing Market Price per Common Share

part of Germany just days after the first souvenirs were chipped from the Berlin Wall.

By remaining focused on our strengths and on our business; by keeping our customers and consumers as the centerpiece of our attention; by maintaining a flexible strategic stance as we move toward the year 2000; by continuing to react quickly and opportunistically to changing conditions; and by profiting from, or at least accommodating, the unexpected, we feel confident that 1991 and beyond will also be banner years for our Company.

We are proud of our associates throughout the world. These men and women are a remarkable global team. We are fortunate to have the support of a most distinguished and dedicated group of Directors, whose wise advice and counsel spur us on toward ever higher levels of achievement. To all of them, and to you for having chosen our Company as the object of your investment, we take this opportunity to express our sincerest appreciation.

Roberto C. Goizueta
Chairman, Board of Directors,
and Chief Executive Officer

Donald R. Keough
President and
Chief Operating Officer

February 21, 1991

Customer Service: Another Coca-Cola Trademark

Kenya

Two years ago, we used this space to describe The Coca-Cola Company's unique assets and advantages: the world's most powerful trademarks and the world's only truly global soft drink production and distribution system. Last year, we discussed the steps we are taking to reshape and strengthen that system.

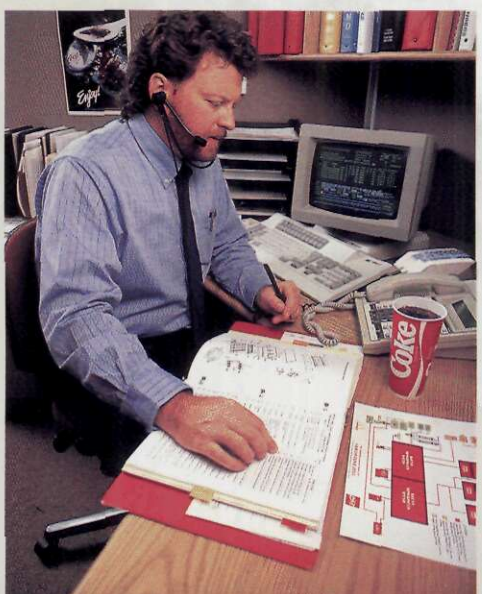
The Coca-Cola trademark has never been stronger. It continues to hold the enviable position as the world's most powerful brand name. At the same time, the Coca-Cola system continues to expand its unparalleled reach. Our business is growing at accelerated rates, and each day we are serving more of our products to more customers.

With all our system has achieved, we have always known that reaching our consumers requires one more important link in the chain. Ultimately, the success of our business is joined with the success of our customers — the people who sell our products to consumers.

Dedication to customer service has been a Coca-Cola trademark throughout our 105-year history. We have prided ourselves on providing the best possible support to all our customers — from large supermarkets to small mom-and-pop grocery stores...from quick-serve restaurants to tiny street cafes...and from stadiums of the world's biggest sporting events to neighborhood movie theaters.

In the 1990s, however, understanding and meeting the changing needs of our customers has never been more important.

The environment in which our customers, of all sizes and types, do business is far different



United States

Japan

today than it was even a few years ago. Competition is keener. Consumer demands are greater. Technology is creating vast new opportunities. In response, our customers are approaching their businesses differently.

We are changing along with our customers. We are striving to serve their needs and also be a better partner in helping them build and improve their businesses. For example, senior executives are taking worldwide responsibility for our largest customers. A new national sales-distribution company in Germany, jointly owned with our bottlers, works closely with key accounts in that country. In the United States, we operate a 24-hour-a-day customer communications center that handles more than 2 million customer calls annually.

However, the best example of our focus on customers is an exciting activity initiated last year by the Company and our global network of bottlers. In October, we celebrated the first Customer Appreciation Week.

During this week, the largest "thank you" in the history of commerce took place. Thousands of people in the worldwide Coca-Cola system visited nearly 2.6 million accounts, ranging from hypermarkets to street vendors, to express a simple "thank you" for selling our products.

Korea

Customers responded with enthusiasm and, in some cases, pleasant surprise. Again and again, we were told that no supplier had ever taken the time to visit and just say "thank you."

Just as important was the impact of Customer Appreciation Week on the people of Coca-Cola. The vast majority who participated do not call on customers as a regular part of their job, and these face-to-face encounters reminded all of them of the customer's importance to us.

The Coca-Cola Company and the Coca-Cola system are dedicated to raising our high standards for customer service to new heights and serving our customers with a passion, every day and everywhere.

The Year in Review

Our 1990 performance greatly strengthened our leadership of the global soft drink industry:

Once again, independent research confirmed Coca-Cola as far and away the world's best-known and most-admired trademark.

Our soft drink unit case sales increased 7 percent to 9.4 billion unit cases, or nearly 226 billion servings.

Our share of worldwide soft drink sales increased to a new high of 44 percent. Our share of U.S. sales grew to a new high of 41 percent, widening our lead over our nearest competitor, and our international share climbed to a new high of 46 percent, four times that of any competitor.

Earnings per common share grew 22 percent, excluding nonrecurring items.

Return on common equity increased to more than 39 percent, our highest return in more than 50 years.

Total return to shareholders was more than 22 percent, versus a negative 3 percent total return for the S&P 500.

Financial Highlights

(Dollars in millions except per share data)

Year Ended December 31,	1990	1989	Percent Change
Net operating revenues	$10,236.4	$8,622.3	18.7 %
Operating income	$ 1,951.6	$1,725.8	13.1 %
Income from continuing operations before income taxes	$ 2,014.4	$1,764.3	14.2 %
Income from continuing operations	$ 1,381.9	$1,192.8	15.9 %
Net income	$ 1,381.9	$1,723.8	(19.8)%
Preferred stock dividends	$ 18.2	$ 21.4	(15.0)%
Net income available to common shareholders[1]	$ 1,363.7	$1,702.4	(19.9)%
Income per common share from continuing operations	$ 2.04	$ 1.69	20.7 %
Net income per common share[1]	$ 2.04	$ 2.46	(17.1)%
Cash dividends per common share	$ .80	$ .68	17.6 %
Average common shares outstanding (in millions)	668.6	692.0	(3.4)%
Common shareholders' equity at year-end	$ 3,774.2	$3,185.5	18.5 %
Return on common equity[2]	39.2%	37.6%	—
Closing market price per common share	$ 46.50	$ 38.63	20.4 %

[1]Excluding nonrecurring items in 1990 and 1989, 1990 net income available to common shareholders and net income per common share increased 17.7 percent and 22.2 percent, respectively. Nonrecurring items in 1990 include a pretax gain of $52 million ($.05 per common share after income taxes) on the Company's investment in BCI Securities L.P. and pretax charges of $49 million ($.05 per common share after income taxes) related to the Company's United States soft drink business. Nonrecurring items in 1989 include pretax gains of $991 million ($.79 per common share after income taxes) from the sale of the Company's equity interest in Columbia Pictures Entertainment, Inc. and the Company's bottled water business.

[2]Return on common equity is calculated by dividing income from continuing operations less preferred stock dividends by average common shareholders' equity.

1990 vs. 1989 Syrups and Concentrates Gallon Sales in Selected Countries

(Percentage Change)

Argentina	0	Japan	12
Australia	9	Korea	15
Brazil	3	Mexico	4
Canada	(19)*	Morocco	20
China	42	Norway	8
Colombia	2	Philippines	3
France	16	Spain	19
Germany	22	Taiwan	16
Great Britain	3	Thailand	12
Indonesia	19	Turkey	25
Italy	6	United States	3

International Average 8

** Decline resulted from bottler inventory reductions; unit case sales and share increased.*

Summary of Selected Country Results

Estimated Carbonated Soft Drink Unit Case Sales[1]

	Average Annual Growth				1990 Results			
	10 Years		*5 Years*		*Unit Case Growth*		*Company*	
	Company	*Industry*	*Company*	*Industry*	*Company*	*Industry*	*Share*	*Per Capita Consumption*
Worldwide[2]	6%	4%	7%	5%	7%	4%	44%	83
United States	5	4	5	4	4	3	41	292
International	6	5	9	5	8	5	46	59
European Community	8	5	11	6	12	9	42	109
Germany	5	4	6	8	14	7	42	149
Great Britain	14	7	23	9	8	6	32	99
France	12	5	16	10	22	12	37	48
Pacific[3]	8	7	9	7	11	9	44	41
Australia	7	5	10	6	9	5	54	224
Japan[3]	6	8	7	7	14	10	33	112
Philippines	13	5	10	7	6	10	71	92
Northeast Europe/Africa	7	6	7	1	8	0	35	26
Norway	11	6	13	5	9	3	55	200
Austria	5	6	9	10	17	12	44	128
Turkey	21	11	27	16	23	14	43	20
Latin America	5	4	8	5	4	3	51	125
Brazil	6	5	14	12	3	0	59	99
Colombia	6	3	4	2	1	1	42	111
Mexico	6	5	6	5	4	5	51	263

[1]Unit case equals 24 8-ounce drinks [2]Excludes Soviet Union and China [3]Includes Japanese non-carbonated soft drinks

Market Highlights

United States
Most developed market, with great opportunity ahead... key bottle/can growth channels: mass merchandisers, drug store chains, petroleum retailers, warehouse clubs... incremental fountain growth through several new major accounts...share gain of 0.6 points to 41 percent and the largest share advantage ever over our main U.S. competitor...one share point is 74 million unit cases

Germany
Focus on Coca-Cola, Coke light, Sprite and Fanta... bottling efficiencies gained through continued system rationalization...64 bottling entities consolidated into 37 in 1990...incremental growth provided by new eastern German market

Great Britain
Coca-Cola & Schweppes Beverages highly successful joint venture...four-year average unit case growth 22 percent...larger PET packages and can multipacks support volume advances...new production plant planned for southern England

France
Company-owned bottler handles 91 percent of volume... production rationalized...reorganized total sales function to provide national account service...16,000 vending machines and 5,000 post-mix dispensers placed in 1990... aggressive merchandising added 20,000 displays, 700 coolers in 5,000 supermarkets

Australia
Highest per capita consumption in Pacific...86 percent share of cola segment...growth forged by aggressive marketing, expanded availability...vending machines to double to 50,000 by end of decade

Japan
Coca-Cola leads cola segment with 80 percent share... Company products lead world's largest non-carbonated segment...world's highest vending machine per capita... more than 750,000 in place

Philippines
San Miguel joint venture global model since 1981 formation...14 percent average annual unit case growth since 1981...new Santa Rosa superplant helped meet Manila demand...significant post-mix opportunity...three-year average post-mix growth of nearly 25 percent

Norway
Fanta mandarin rollout sparked growth...1.5 liter returnable/refillable PET launching extended packaging innovation...12 percent Coke light share is among world's highest

Austria
Value pricing strategy and point-of-sale merchandising generated double-digit unit case growth...Sprite light rollout boosted diet segment sales...returnable/refillable PET packaging introduced

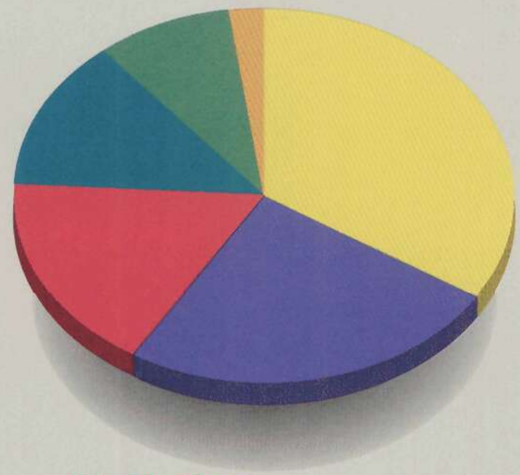
Turkey
Company-owned Ankara bottler set growth pace... larger one-way packages, post-mix development, vending placement should drive continued strong growth

Brazil
Solid growth as prices held firm and costs were contained... merchandising and larger packages emphasized...post-mix currently only 7 percent of total volume, representing significant opportunity

Colombia
Larger packages stimulate growth despite overall higher prices...1.5 liter glass bottle introduced...diet Coke relaunched with 100 percent aspartame

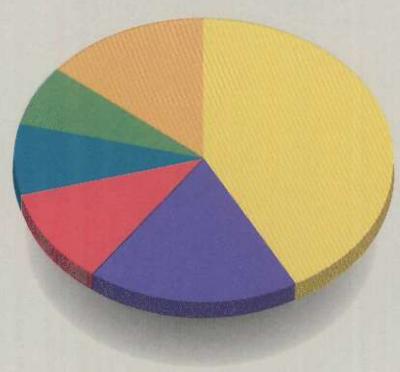
Mexico
Per capita consumption second only to U.S....focus on advancing infrastructure, large-size packaging innovation... more than 30,000 coolers/refrigerators placed in 1990... 25 new warehouses opened...new bottling lines commissioned

Worldwide 1990 Unit Case Sales



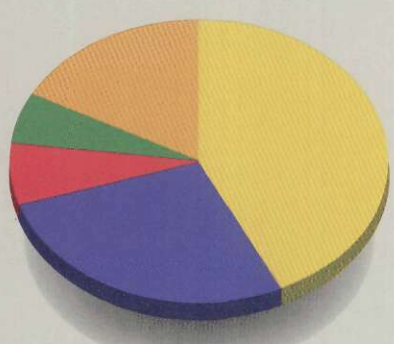
Worldwide
- United States 34%
- Latin America 25%
- European Community 18%
- Pacific 12%
- Northeast Europe/Africa 9%
- Canada 2%

European Community
- Germany 31%
- Great Britain 15%
- Spain 15%
- Italy 13%
- France 7%
- Benelux 10%
- Other 9%

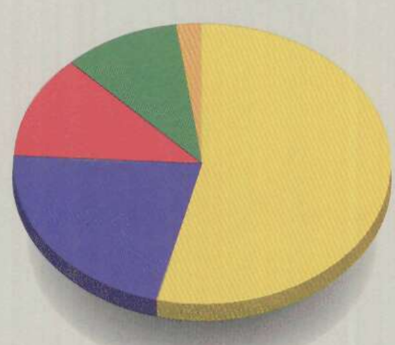


Pacific
- Japan 42%*
- Philippines 18%
- Australia 11%
- Korea 8%
- Thailand 7%
- Other 14%

**Includes non-carbonated soft drinks*



Latin America
- Mexico 43%
- Brazil 28%
- Colombia 7%
- Argentina 6%
- Other 16%



Northeast Europe/Africa
- Africa Division 55%
- Eastern European Division 22%
- Mid-East Division 11%
- Nordic Division 10%
- Other 2%

International Soft Drinks

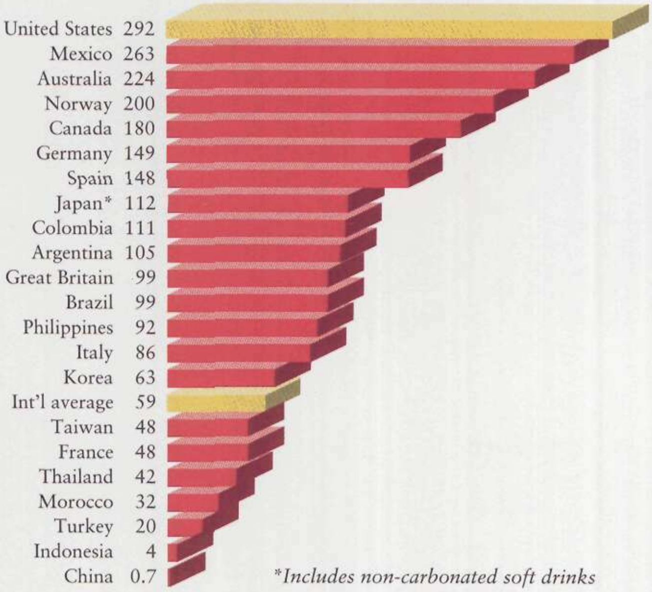
Our international soft drink business has grown at an average annual rate of 9 percent over the past five years and now accounts for 68 percent of total gallon sales.

Our international operations played a larger role in our overall soft drink business than ever before, accounting for 68 percent of our worldwide syrups and concentrates gallon sales and 80 percent of our operating income.

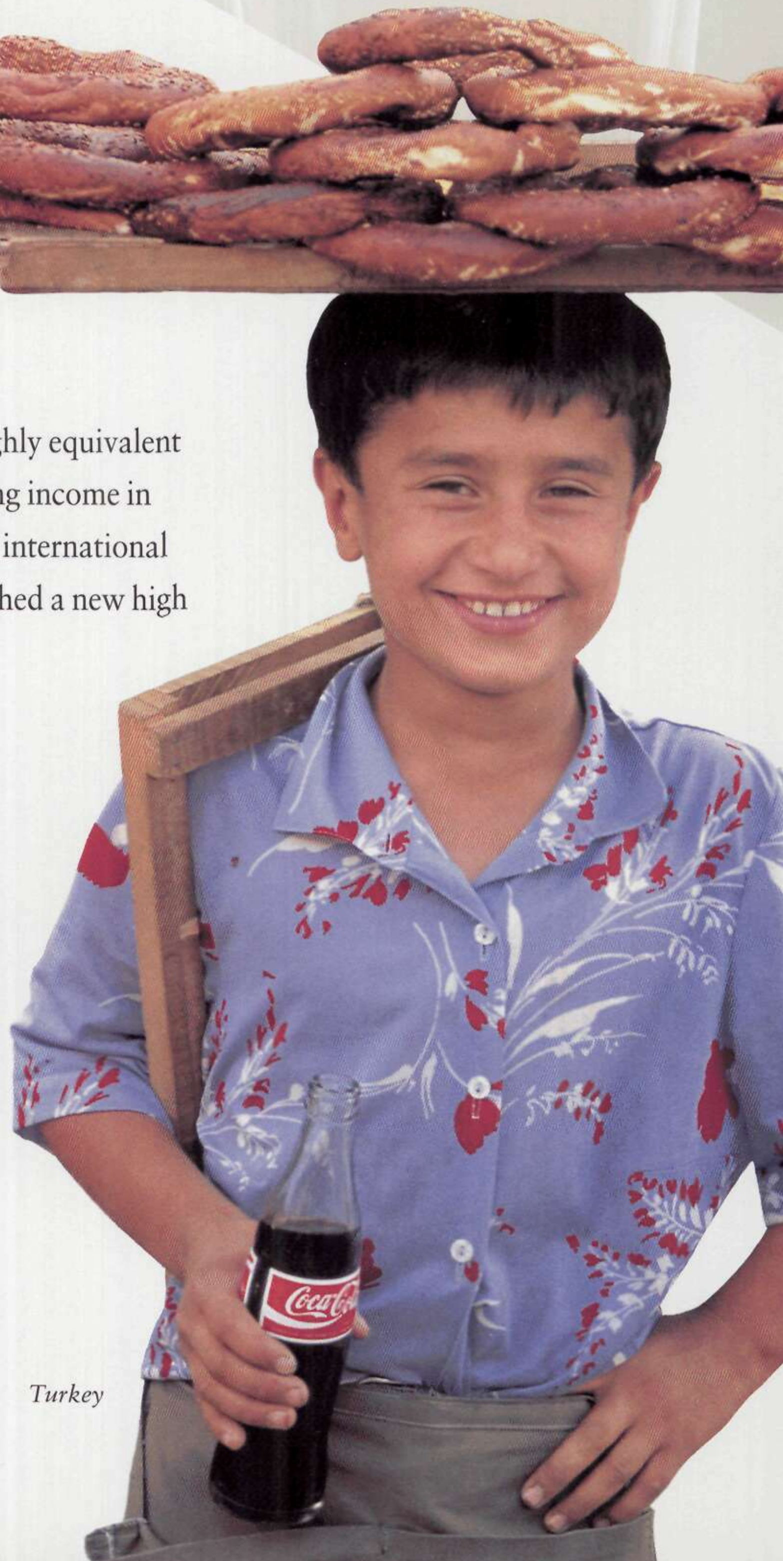
Our international syrups and concentrates gallon sales grew 8 percent, and our international operating income grew 19 percent to $1.8 billion, roughly equivalent to our total operating income in 1989. Our share of international soft drink sales reached a new high of 46 percent.

1990 Per Capita Consumption of Company Products in Selected Countries

(8-Ounce Servings per Person per Year)



*Includes non-carbonated soft drinks



Turkey

Coca-Cola European Community Group

Italy

As the European Community moves toward 1992, our two-year-old Coca-Cola European Community Group continues to develop the soft drink infrastructure necessary for supplying and servicing the world's largest single market. Coca-Cola EC syrups and concentrates gallon sales grew 14 percent in 1990. Having posted average annual gallon-sales growth of 12 percent since 1985, our EC operations now account for 25 percent of our total international gallon sales.

The opportunities are immense. Home to 347 million people, the EC is roughly 39 percent larger than the demographically similar United States. At 109, however, EC per capita consumption of our products still lags far behind the U.S. level of 292.

With a larger population and significantly lower per capita consumption than the United States, the European Community offers tremendous growth potential.

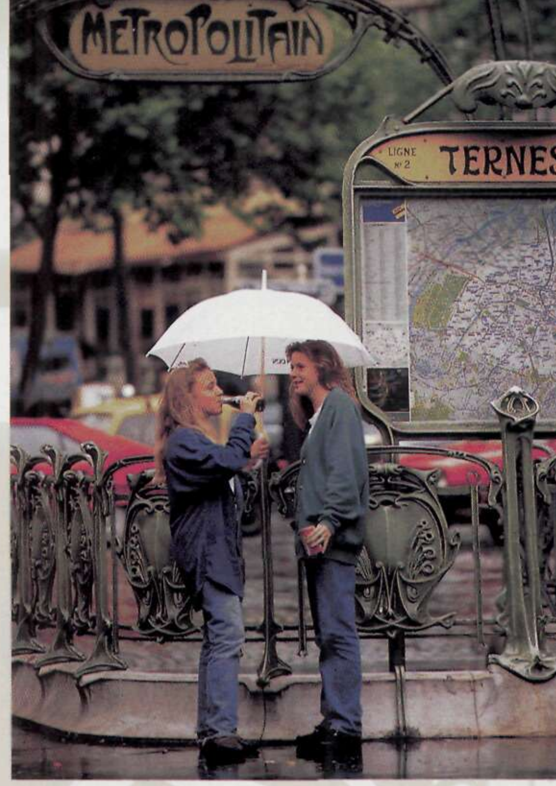
Germany

Increasing availability will do much to close the gap, and we have begun developing pan-European production and distribution facilities to make that possible. In France, a new concentrate manufacturing plant in Signes and a new canning plant in Dunkirk are supplying operations throughout the EC countries. Huge and efficient, these operations are strengthening our position as Europe's low-cost soft drink producer.

With a restructured bottling system working to raise per capita consumption to the levels of its European neighbors, France generated 16 percent gallon-sales growth.

Throughout Europe, our system continues to evolve to meet new realities. In 1989, we purchased the bottling operations for most of France, and we are well on our way toward doubling per capita consumption by the end of 1993. In Great Britain, our joint venture bottler, Coca-Cola & Schweppes Beverages, helped generate a 3 percent increase in gallon sales. Vending continues to be a priority in Europe, with approximately 16,000 new vending machines installed in France and 10,000 in Great Britain at the end of 1990.

The most dramatic development in our European business came with the unification of East and West Germany, which added 17 million people to our German market. (See "Overnight: 17 Million New Consumers" on page 16.)



France

While a new bottling system is being built in eastern Germany, we are continuing to rationalize and consolidate our regional bottling network in the west.

Last year, our system consolidated 64 West German bottling operations into 37 manufacturing and distribution units. We now have investments in bottlers accounting for 16 percent of our

Already our largest European market, Germany will continue to benefit from the ongoing consolidation of its once highly fragmented bottling system.

German gallon sales. A newly established national sales-distribution company, in which we hold a substantial stake, has assumed responsibilities related to key accounts.

Increasing distribution efficiencies continues to be a priority, and we are working to develop strong one-way markets throughout Europe. Nearly 40,000 new vending machines significantly increased cold product availability, helping the Italian Division's gallon sales grow 6 percent.

Overnight: 17 Million New Consumers

For most of his life, Werner Hollman had had a hard time finding a Coca-Cola in his home town of Chemnitz, East Germany. It was expensive and available only on the black market. Then early last year, almost overnight, Mr. Hollman suddenly found his favorite soft drink on practically every corner and in most restaurants.

Shortly after the first souvenirs were chipped from the Berlin Wall, the first cases of Coca-Cola rolled across the border. By the end of the year, more than 21 million unit cases had been sold in Germany's five eastern provinces, representing 4 percent of our total German business.

After such a quick start, building an efficient production and distribution system has become our main objective. Last year, we invested approximately $100 million in Coca-Cola Erfrischungsgetränke, G.m.b.H. (CCEG), a new bottling operation charged with growing our business in eastern Germany. Seven new bottling facilities and 14 distribution centers are slated for completion by mid-1991.

In just one year, per capita consumption of our products in eastern Germany climbed from zero to 30, and it should grow to twice that by the end of 1991. Within two years, we expect CCEG to be selling more than 100 million unit cases per year.

Eastern Germany's large soft drink industry and familiarity with Coca-Cola through western media have helped make Germany's 17 million new citizens ideal Coca-Cola consumers. In fact, by 1992, we estimate that CCEG sales will account for 15 percent of our entire German business.

Pacific Group

Serving more than 3 billion consumers, the Pacific Group generates 23 percent of our international gallon sales.

Serving 27 countries throughout the Pacific and Asia, our Pacific Group reported an 11 percent syrups and concentrates gallon-sales increase and accounted for 23 percent of our international gallon sales in 1990.

The Pacific Group is responsible for more than 3 billion potential soft drink consumers, 53 percent of the world's total population, and the area's population is increasing by roughly 2 percent annually. The truest measure of our Pacific opportunity, however, is to be found in the region's gross national product, which is growing at a rate of roughly $4 billion *a week*.

China

The Philippines

Large, aggressive "anchor" bottlers helped drive 11 percent gallon-sales growth in the Pacific.

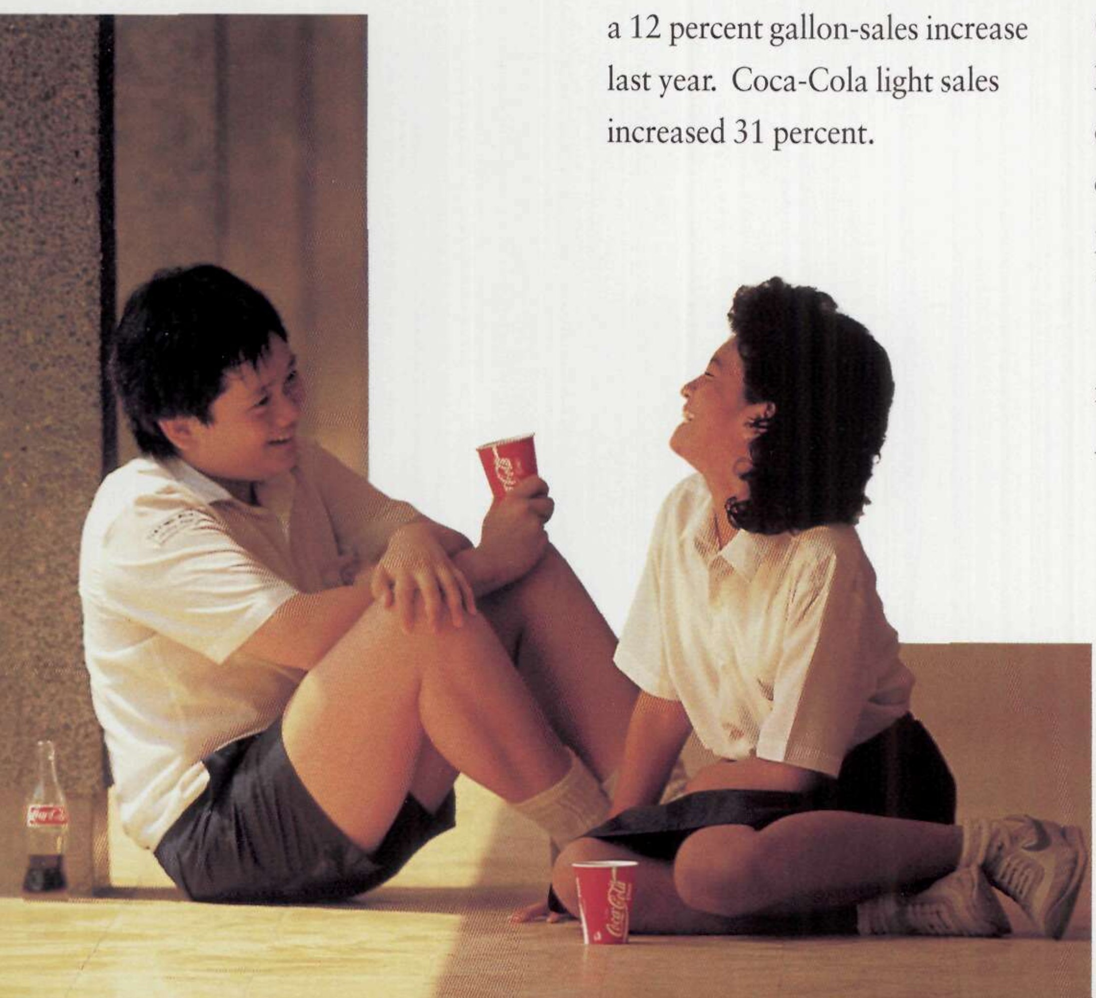
Our ongoing success in Japan is an encouraging example of our ability to work with strong bottling partners in developing a vibrant soft drink business within a strong economic environment. Accounting for 40 percent of our Pacific gallon sales, Japan posted a 12 percent gallon-sales increase last year. Coca-Cola light sales increased 31 percent.

Gallon sales in Korea grew 15 percent, led by particularly strong growth in Seoul.

Recognizing the importance of a strong bottling system to our success in Japan, we are strengthening our bottling network throughout the Pacific, primarily through joint ventures and aggressive investment in production and distribution equipment.

This year marks the tenth anniversary of our highly successful bottling joint venture in the Philippines with the San Miguel Corporation. Coca-Cola Bottlers Philippines, Inc. has more than doubled per capita consumption of Company products over the past decade and now accounts for 71 percent of industry sales.

In the South Pacific, our new partnership with Coca-Cola Amatil Limited has helped drive



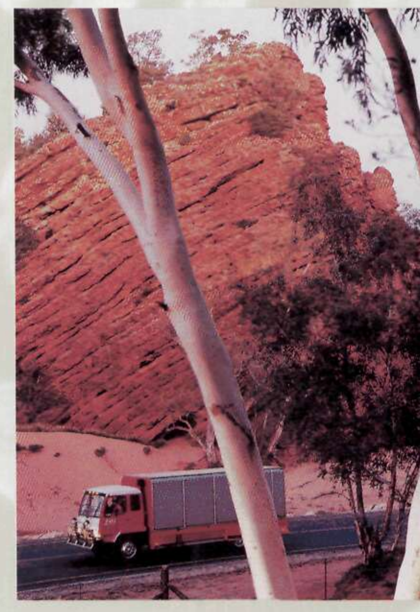
Indonesia

9 percent gallon-sales growth in Australia. (See "All Over Down Under" on this page.) Already claiming 54 percent of Australian soft drink sales, Coca-Cola Amatil accelerated the growth of our product range last year through the introduction of caffeine-free diet Coca-Cola.

Throughout our Southeast and West Asia Division, gallon sales increased 18 percent as a three-year division-wide sales campaign got under way in Indonesia, Malaysia and Thailand. We are planning several additional bottling joint ventures that will stimulate even more growth in this region.

Hong Kong

All Over Down Under



Large, aggressive, international and focused on soft drinks, Coca-Cola Amatil Limited is the archetypical Coca-Cola bottler of the 1990s. Through restructuring and acquisition, the company has transformed itself into one of the most powerful soft drink bottlers in the world.

Over the past three years, Coca-Cola Amatil greatly expanded its Coca-Cola bottling territories and now serves virtually all of Australia. This aggressive, efficient megabottler has an objective of substantially raising Australian per capita consumption from its current 224.

Coca-Cola Amatil is also generating strong growth outside Australia. Already operating in New Zealand, Fiji and Austria, it is considering expansion prospects in Central Europe and Southeast Asia.

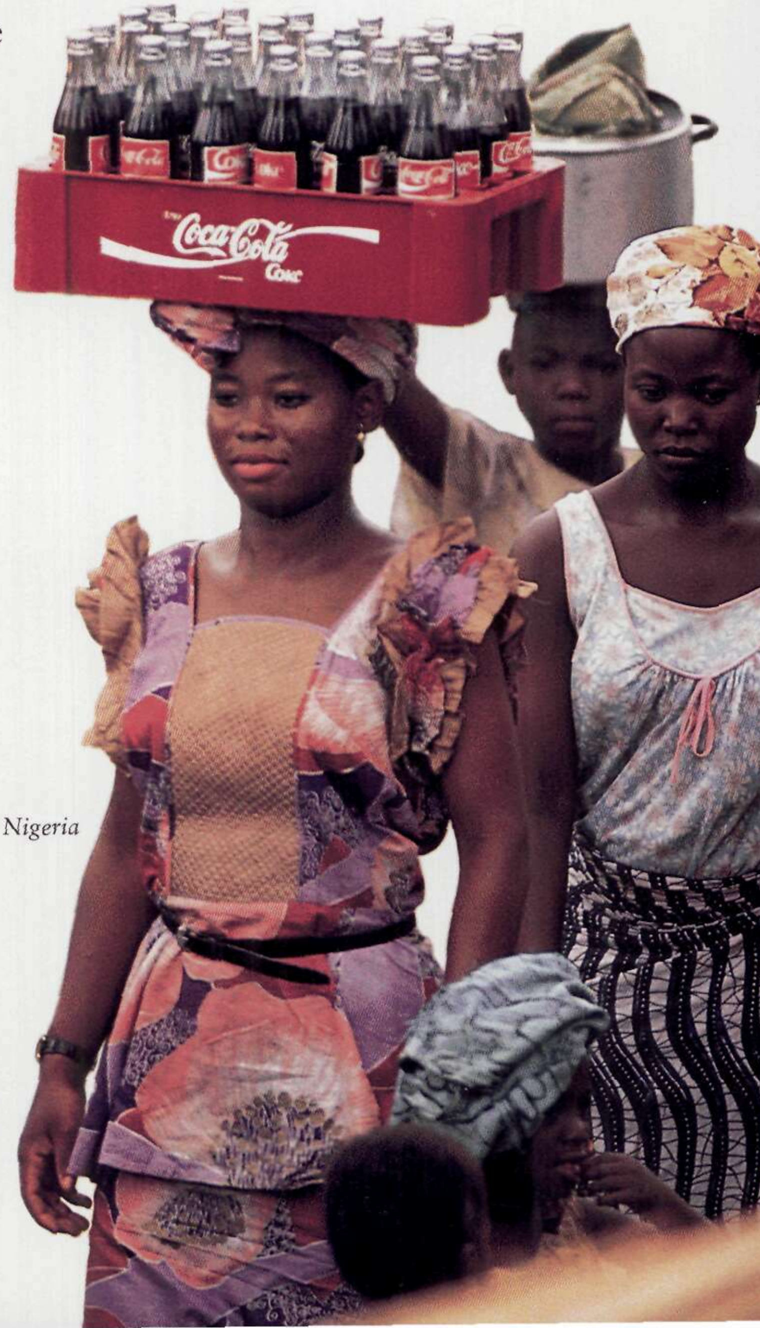
Northeast Europe/Africa (NEA) Group

In many of the 79 countries of the Northeast Europe/Africa Group, we are building a full-fledged soft drink system where none existed a few years ago and laying the groundwork essential to market development. In 1990, syrups and concentrates gallon sales for the NEA Group increased 8 percent, and operating income grew 18 percent. Progress and prospects varied as much as the markets themselves.

In the relatively developed markets of the Nordic Division, which account for 10 percent of the Group's soft drink sales, gallon sales increased 5 percent. In Norway, unit case sales of Coca-Cola light rose 19 percent, making it the country's second best-selling soft drink, behind Coca-Cola. (See "Coca-Cola Lights Up Norway" on page 21.)

In Turkey, our 1988 acquisition of the Ankara bottler and aggressive investment in production hardware and marketing have produced outstanding results.

Elsewhere in the Group, we concentrated our efforts on developing the basics of our business. In Eastern Europe, the movement toward free-market economies has changed our approach in Poland, Hungary, Czechoslovakia and Yugoslavia. Previously, our strategy in state-run economies was focused on using countertrade to generate foreign exchange for the purchase of concentrate. Now that we are



Nigeria

The diverse NEA Group is developing full-fledged soft drink systems in Africa, Eastern Europe and other markets moving toward open economies.

Turkey

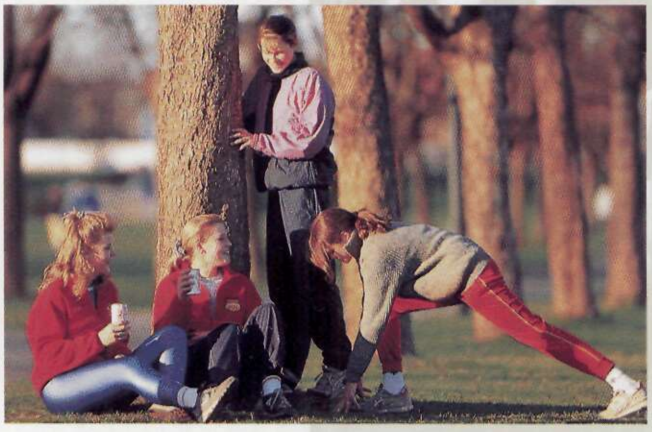
Coca-Cola Lights Up Norway

Norway provides one of the best examples of the growing importance of low-calorie products in international markets. Since its 1983 introduction, Coke light unit case sales have grown at an average annual rate of 34 percent, and in 1989 it became Norway's second best-selling soft drink, behind Coca-Cola.

free to develop sufficient manufacturing capacity and effective distribution systems, we are doing just that.

Australia's Coca-Cola Amatil, also the major bottler in Austria, began negotiations to form joint ventures to produce and distribute Company products in Hungary and Czechoslovakia.

Developing our business in Eastern Europe and the Soviet Union will require major start-up capital investments for production and distribution capacity. We expect the returns on these investments to grow as the markets strengthen over the next decade.



In Africa, where last year's gallon-sales growth of 7 percent was the strongest in several years, we continued to lay the foundation for long-term profitable growth. Our success hinges on our ability to make our products more available to consumers. In 1990, we did that by developing new package sizes in existing markets, by increasing cold drink availability and by resuming operations in Angola, Mozambique and Uganda.

In 1990, Coke light accounted for nearly 12 percent of all Norwegian soft drink sales. TAB, Sprite light and Fanta light accounted for nearly another 6 percent of overall soft drink sales, bringing the total share for the Company's low-calorie products to more than 17 percent.

This success is a product of the power of the Coca-Cola trademark, the growing importance of low-calorie products in an increasingly fitness-conscious Norway, and energetic marketing.

Latin America Group

Our Latin American operations accounted for 36 percent of our international gallon sales.

In 1990, syrups and concentrates gallon sales in the Company's Latin America Group grew 4 percent, and operating income increased 32 percent.

Political and economic developments in the region bode well for our business. Freely elected governments were inaugurated in Chile and Nicaragua, and Brazil moved forward with its economic restructuring plan. Argentina and Peru also took significant steps in dealing with their economies.

After years of building huge volume bases on low margins, the Group accounts for 36 percent of our international soft drink gallon sales and 17 percent of international soft drink operating income. The recent shift toward free markets has allowed us more price and packaging flexibility, producing larger margins for reinvestment.

Just one year ago, for example, only one of our five largest Latin American countries operated free of soft drink price controls. Today, only one of these countries has these controls, and even there, one-way packages are free of such restrictions.

This strategy of pursuing "quality volume growth" resulted in the 32 percent increase in operating income during the year. Nowhere is that strategy more evident than in Mexico, which we expect to become our first

Brazil

Argentina

market outside of the United States to top 1 billion in annual unit case sales in 1991. And in Brazil, our share of soft drink sales reached an all-time high of 59 percent, despite difficult economic conditions.

We will continue to improve profitability through effective pricing, gallon-sales growth, reduced overhead and the use of large, efficient plants.

Mexico

A Model Market

In recent years, Chile has taken several major, progressive steps that have made its economy one of the healthiest in Latin America. Riding the strong economic growth, our Chilean system doubled gallon sales from 1985 to 1989. In 1990, the trend continued, as gallon sales climbed 10 percent.

Beyond economic prosperity, Chile has become Latin America's model soft drink market because of our bottling partners' willingness to join us in investing in the business. The Chilean soft drink industry is dominated by returnable bottles, and our system's aggressive investment in new package sizes has expanded our share of total soft drink sales to nearly 59 percent.

Chile still has obstacles to overcome. But, along with Mexico, it serves as an encouraging example of how increased economic and political stability throughout Latin America will strengthen businesses we have built patiently for decades.

International Post-Mix

Operating in 94 countries, our international post-mix, or fountain, business is already an important component of our international business.

Last year, for example, international post-mix gallon sales were 46 percent greater than our total gallon sales in Great Britain and 38 percent greater than our gallon sales in the Philippines. In Taiwan, post-mix gallon sales have grown at an average annual compounded growth rate of 60 percent over the past three years and now account for 34 percent of our total gallon sales there. (See "Taking Off in Taiwan" on page 25.)

Japan

Relatively new outside the United States, post-mix continues to grow rapidly in many international markets.

Germany

Taking Off in Taiwan

By focusing on increasing volume and changing consumers' drinking habits at quick-service outlets and convenience stores, the Taiwan Coca-Cola Bottling Company (TCCBC) has made the country into a case study of the power of post-mix.

In 1987, sales in the category stood at 895,000 gallons. Since then, post-mix gallonage has rocketed upward at an average annual compounded growth rate of 60 percent. Post-mix gallon sales passed the 1 million mark for the first time in 1988 and in 1990 reached 3.7 million gallons.

This spectacular growth has been achieved in several unspectacular ways. New 32-ounce and 44-ounce super-size drinks have helped increase volume and accustomed consumers to drinking larger quantities of carbonated beverages. Free-refill programs have helped increase profitability among our customers, and combination meal promotions have helped win over consumers who might previously have preferred hot tea or soup with their food.

More than 1,500 post-mix dispensers have been installed around Taiwan in each of the last two years. Post-mix growth has not, however, come at the expense of TCCBC's bottle/can business, which has grown at an average annual compounded rate of 25 percent over the past three years.

At the same time, international post-mix gallon sales, 38 percent of which is concentrated in Japan, Brazil and Germany, still account for only 5 percent of our total international gallon sales.

By comparison, post-mix accounts for 31 percent of our U.S. business. While the U.S. business was born at the soda fountain, our international business was launched through bottles and cans.

Only in recent years has our international system begun to focus on the true potential of post-mix.

We will be especially aggressive in the European Community, where, last year alone, our system invested $50 million in post-mix equipment.

North America Businesses
Coca-Cola USA

The flagship of our worldwide operations, Coca-Cola USA continues to capitalize on its ample growth opportunities.

While much attention is rightly paid to the success and enormous potential of our international business, Coca-Cola USA continues to grow as our flagship division and model market, a benchmark for our international operations. With syrups and concentrates gallon sales advancing 3 percent, Coca-Cola USA last year expanded its share of U.S. soft drink sales to an all-time high of 41 percent and the largest share advantage ever over its nearest competitor.

In the bottle/can segment, Coca-Cola USA unit case sales increased by 3.5 percent overall. Supermarkets and convenience outlets again accounted for a significant portion of bottle/can sales, while mass merchandisers and wholesale and membership clubs generated substantial growth.

In the Lead in Customer Service

Coca-Cola Fountain is the largest sales and service organization of its kind in the world, serving more than 350,000 customers and meeting the demand for more than 10 billion post-mix soft drinks every year. Born at the soda fountain, the business in the United States has always maintained its stronghold and has never stopped expanding.

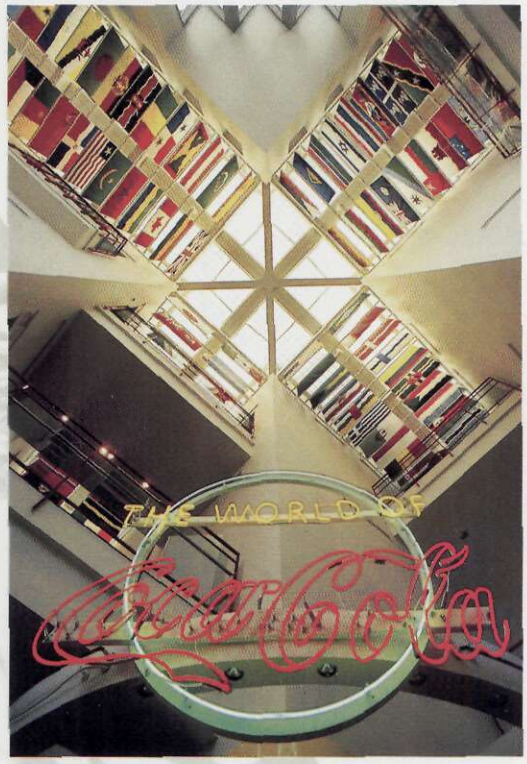
1990 was a banner year for the fountain business, with a wave of conversions to Company products by key accounts, thanks in part to Coca-Cola Fountain's ability to add value and profitability to every customer's business by increasing consumer demand and finding more ways to provide quick and efficient service.

The Customer Service Center is one example of recent customer-focused innovations. More than 2 million customers per year call the center's toll-free number to order syrup or request service 24 hours a day, seven days a week. If a problem can be solved over the phone, an operator directs the call to a technical advisor. Otherwise, a local service agent is identified, and a work order is dispatched within minutes.

Unequaled service, the most powerful trademark in the world and the best-selling products in the best-selling soft drink flavor categories have made Coca-Cola Fountain by far the number one supplier of soft drinks to fountain outlets in the United States. And a commitment to continually improve and grow the customer's business is ensuring that Coca-Cola Fountain will expand as much in the next century as it has in the last.

In the fountain segment, which generated 31 percent of the division's total gallon sales, Coca-Cola USA gained several key accounts. Coca-Cola USA now serves more than 350,000 retail outlets and outsells its major competitor in this segment by more than 2.5-to-1. Excluding the outlets owned and operated by this competitor, Coca-Cola USA's fountain products are available in more than 90 percent of all large chain fountain accounts.

The Company's top three U.S. products, Coca-Cola classic, diet Coke and Sprite, again forged share gains. Coca-Cola classic continues to increase its lead over its nearest competitor, and caffeine-free Coca-Cola classic, successfully introduced in March, has expanded the consumer appeal of the nation's best-selling soft drink.



The World of Coca-Cola

Atlanta has a major new attraction. The World of Coca-Cola, which opened last August, is averaging more than 60,000 visitors a month. The three-story pavilion pays tribute to the world's favorite soft drink through a 1,000-piece memorabilia collection, bottling and soda fountain exhibits and displays employing the latest in audio-visual technology.

The pavilion's success is tangible evidence of the intangible ties between consumers and a 105-year-old soft drink. It also reinforces the findings of an independent research firm's recent international survey of consumers' attitudes toward 6,000 trademarks. The study showed Coca-Cola to be, by far, the world's most powerful, best-loved trademark.

Diet Coke, the runaway leader in the country's fastest growing soft drink segment, accounted for more than 22 percent of our U.S. gallon sales last year. In our view, it is only a matter of time before diet Coke takes the lead over the number two U.S. soft drink. Caffeine-free diet Coke gallon sales increased 10 percent. The brand accounted for more than 2 percent of U.S. soft drink sales.

Sprite, the leading brand in the lemon-lime segment, expanded its lead over its closest competitor for the third year in a row, with gallon sales growing 4 percent.

In Canada, our unit case sales and share grew while reductions in bottler inventories caused gallon sales to decrease against the significant gains of 1989.

Coca-Cola Foods

Coca-Cola Foods, which accounted for 16 percent of the Company's total revenues in 1990, generated profitable growth in the face of difficult industry conditions.

Despite a severe freeze in December 1989 that cut Florida orange juice production by 30 percent and drove retail prices to an all-time high, revenues grew 1 percent in 1990, and operating income increased 7 percent. Operating income on a continuing basis increased 12 percent. Orange juice retail sales volume declined slightly more than the industry because of inventory building by retailers in late 1989 in anticipation of higher prices and the planned temporary shutdown of a production facility.

As the growth trend continues for chilled juices, Coca-Cola Foods' successful efforts to expand its chilled business were led by the introduction of new graphics, a twist-cap carton and larger package sizes for Minute Maid Premium Choice. Premium Choice volume should continue to grow rapidly, as the brand becomes more broadly available and the market for premium orange juice continues to expand.

In the frozen concentrate segment, our traditional stronghold, Minute Maid's market share remained more than twice that of its closest competitor as the segment itself continued to shrink. And in the shelf-stable segment, where volume is expected to double in the 1990s, we plan to achieve share leadership through line extensions, new packaging and new products.

For the next two years, virtually all marketing for the Minute Maid brand will be focused on a unique two-year partnership with the U.S. Olympic Committee to generate public support for America's Olympic athletes.

Venturing Ahead to Grow Our Business

Our accelerated growth rates of the past five years would seem to indicate that we are doing business differently than before, and we are.

Without question, the biggest difference is our willingness to do whatever is advisable to grow our concentrate and syrup business around the world. In large measure, around the world we are able to maximize profitable growth with the traditional bottler system.

Sometimes, however, the practical action is taking significant equity positions in important components of our global bottling network. Taking ownership positions in approximately 60 different bottling, canning and distribution operations around the world and, often, assuming management responsibility has been a way to ensure ourselves of working with bottling partners who share our commitment to reinvestment in, and profitable growth of, the business.

The results speak for themselves. The accompanying table illustrates the success we have had in a number of individual markets.

These ventures have become a fundamental building block of our worldwide bottling system and also serve as a tangible example of our determination to remain *focused* on our business, *flexible* in our strategies and capable of *fast reaction* to any condition changes.

Bottling Investments

Region	*Year of Investment*	*Company Ownership*	*Share*		*Annual Unit Case Sales Growth*
			Before	*1990*	
Philippines	1981	30%	31%	71%	14%
Taiwan	1985	35%	10%	48%	52%
Great Britain	1986	49%	21%	32%	22%
Indonesia	1987	29%	58%	72%	18%
Netherlands	1988	30%	24%	28%	16%
France	1989	100%	32%	37%	24%
Australia	1989	51%	52%	54%	9%

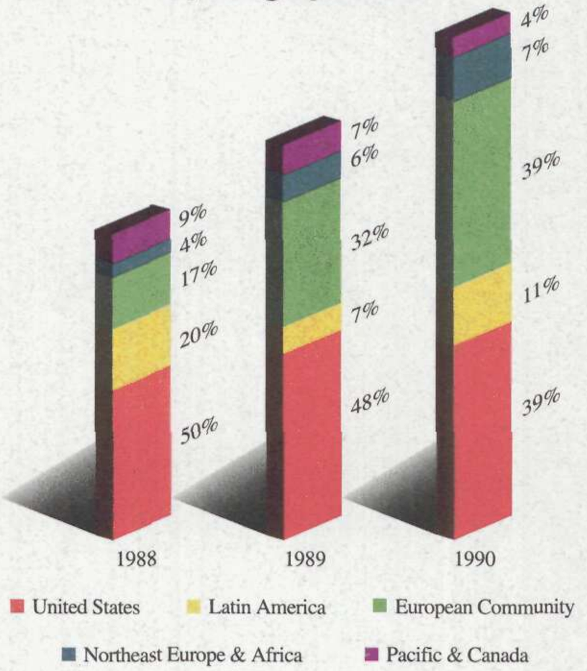
Management's primary objective is to increase shareholder value over time. To accomplish this objective, The Coca-Cola Company and subsidiaries (the Company) have developed a comprehensive business strategy that emphasizes maximizing long-term cash flow by expanding its global business systems, increasing gallon sales, improving margins, investing in areas offering attractive returns and maintaining an appropriate capital structure.

Management of Resources: Management seeks investments that strategically enhance existing operations and offer long-term cash returns that exceed the Company's weighted average cost of capital. For investments with risk characteristics similar to the soft drink industry and assuming a net-debt-to-net-capital ratio ceiling of 35 percent, that cost of capital is estimated by management to be approximately 12 percent after taxes.

The Company's soft drink business provides an attractive area for investment offering high returns and growth. The relative state of development of the Company's soft drink systems varies dramatically worldwide. Investments are required to enable less developed production and distribution systems to function at levels closer to those seen in more developed markets. Additional investments are required in more developed markets to increase efficiency by consolidating production and distribution networks and to expand sales equipment coverage. In 1990, the Company's capital expenditures totaled approximately $460 million in its soft drink sectors, $68 million in its foods sector and $65 million in its corporate operations. Capital expenditures related to the Company's soft drink business sectors are expected to increase significantly in 1991 and are planned to be funded primarily through operations.

The Company's emphasis on profitable growth is also reflected in its level of reinvestment in the form of increased advertising. Advertising costs increased to $932 million in 1990, compared to $888 million in 1989 and $842 million in 1988. These expenditures position and enhance the Company's products as industry leaders.

Capital Expenditures by Geographic Area



The Company continues to view the repurchase of its common stock as an excellent use of excess cash and borrowing capacity. In October 1989, the Board of Directors approved a plan to repurchase up to an additional 40 million shares of the Company's common stock. Under this program, approximately 8.4 million shares and 9.5 million shares were repurchased in 1990 and 1989, respectively, at an aggregate cost of approximately $651.6 million. Since the introduction of share repurchase programs in 1984, the Company has repurchased 185.7 million shares at an aggregate cost of $3.66 billion. If such shares were valued at the December 31, 1990, quoted closing price of the Company's common stock on the New York Stock Exchange, they would have an estimated valuation of approximately $8.63 billion. Such repurchases have contributed to a 1990 return on common equity of 39.2 percent.

Bottling Partners: Over the decades, the Company has built a global network of strong bottling partners. The Company is continually striving to expand and enhance this system. When considered appropriate, the Company participates in bottler ownership changes and/or makes equity investments in bottling companies (typically between 20 percent and 49 percent). Through such investments, the Company is able to assist in the development of effective business and information systems and capital structures more appropriate for these respective operations. In addition, the Company is able to encourage bottler managements to pursue goals that are consistent with those of the Company, such as long-term growth in gallon sales, cash flow and shareholder value.

The Company's active participation in its bottling network has resulted in gallon-sales gains in each major market in which it has an investment. The Company invests in publicly traded bottling companies, such as Coca-Cola Enterprises Inc. (CCE), the largest soft drink bottler in the United States, and Coca-Cola Amatil Limited (CCA), the largest soft drink bottler in Australia, as well as in nonpublic bottling operations such as the joint venture with Cadbury Schweppes plc in Great Britain.

Capital Structure: The Company utilizes prudent amounts of debt to lower its overall cost of capital and increase its total return to shareholders. The Company has established a net-debt-to-net-capital ratio ceiling of 35 percent. Net debt is defined as total debt less excess cash, cash equivalents and current marketable securities. Excluding the Company's finance subsidiary, net debt represented 22.8 percent of net capital at December 31, 1990.

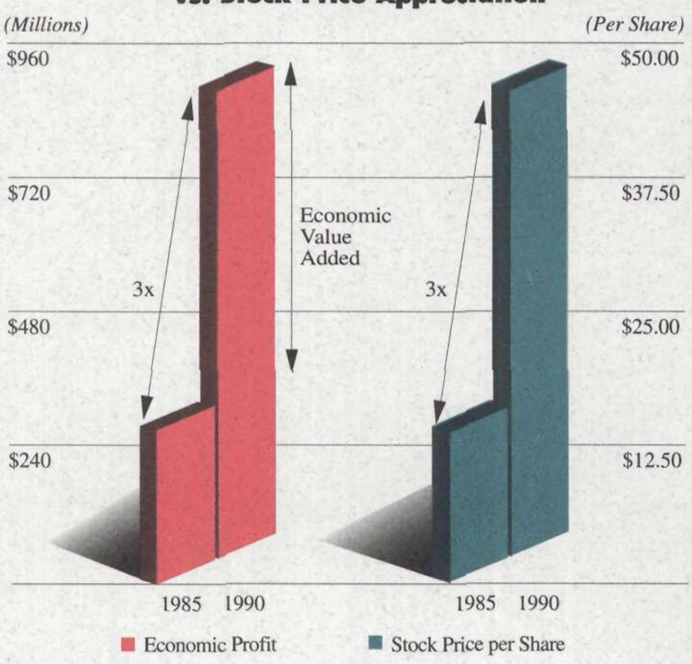
Additional borrowing capacity within the 35 percent debt ceiling was approximately $940 million at December 31, 1990, excluding the Company's finance subsidiary. The Company anticipates using this additional borrowing capacity principally to fund investment opportunities that meet its strategic and financial objectives and, as a second priority, to fund the share repurchase program.

The Company redeemed $225 million of its $300 million Cumulative Money Market Preferred Stock (MMP) in the fourth quarter of 1990. The remaining $75 million was redeemed after December 31, 1990. The MMP was redeemed at the aggregate liquidation value plus an amount equal to accrued dividends.

Economic Profit and Economic Value Added: A significant portion of the increase in the rate of growth of the Company's earnings, returns and cash flows can be attributed to the Company taking actions to (a) increase market share and gallon-sales growth for its products, (b) increase its investments in the high-margin, high-return soft drink business, (c) manage its existing asset base effectively and efficiently and (d) divest low-return businesses. Economic profit and economic value added provide a framework management uses to measure the impact of these value-oriented actions. Economic profit is defined as net operating profit after taxes in excess of capital charges for operating capital employed. Economic value added represents the growth in economic profit from year to year.

Over the last five years, economic profit has grown more than 3 times, resulting in economic value added to the Company of approximately $650 million. Over the same period, the Company's stock price has shown similar growth with an increase of more than threefold. Management believes that, over the long term, growth in economic profit, or economic value added, will have a positive impact on the growth in shareholder value.

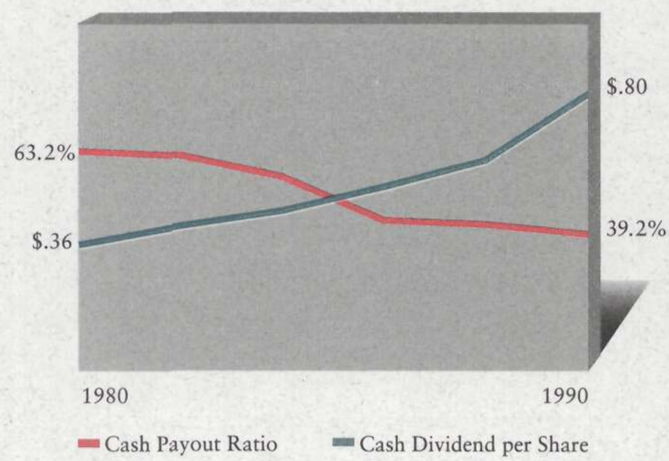
Economic Profit & Economic Value Added vs. Stock Price Appreciation



Return to Shareholders: During the past decade, the shareholders of the Company have enjoyed an excellent return on their investment. A $100 investment in the Company's common stock at December 31, 1980, together with reinvested dividends, would be worth approximately $1,200 at December 31, 1990—an average annual return of 28 percent.

With approval from the Board of Directors, management plans to maintain a common stock dividend payout ratio of approximately 40 percent of earnings available to common shareholders. In 1990, the dividend payout ratio based on earnings available to common shareholders was 39.2 percent. Strong earnings growth has enabled the Company to reduce the dividend payout ratio while increasing the cash dividend per common share by an average annual growth rate of 8 percent since December 31, 1980. The annual common stock dividend was $.80 per share, $.68 per share and $.60 per share in 1990, 1989 and 1988, respectively. At its February 1991 meeting, the Board of Directors increased the quarterly dividend per common share to $.24, equivalent to a full-year common dividend of $.96 in 1991. This is the 29th consecutive year in which the Board of Directors has approved common stock dividend increases.

Common Stock Dividends



Management's Discussion and Analysis

Lines of Business

The Company operates in two major lines of business: soft drinks and foods (principally juice-based beverages). The Company held a significant equity investment in Columbia Pictures Entertainment, Inc. (CPE), an entertainment production and distribution business, until the sale of that investment in November 1989. CPE has been reported as a discontinued operation.

Soft Drinks: The soft drink business sectors manufacture and sell branded soft drink concentrates and syrups to independent and partially owned bottling and canning operations and approved wholesalers. The Company has substantial equity investments in numerous soft drink bottling and canning operations. In addition to equity investments, the Company also owns and operates certain bottling and canning operations outside the United States which represent approximately 7 percent of international gallon sales.

Foods: The foods business sector's principal business is processing and marketing citrus and other fruit juices and fruit drink products, primarily orange juice. The sector also sold bottled water, coffee and tea until the sale of those businesses in 1989.

Operating Results

Soft Drinks: Worldwide revenues and operating income for the soft drink business sectors increased in 1990 primarily due to gallon-sales growth, price increases and the exchange effects of a weaker dollar. In 1989, revenues and operating income increased due to gallon-sales growth and price increases, moderated by the exchange effects of a stronger dollar. Gallon sales of syrups and concentrates increased 6 percent and 8 percent in 1990 and 1989, respectively. Gallon-sales gains in 1990 were highest in the Company's more profitable markets. Excluding nonrecurring charges, 1990 operating income increased 16 percent compared to an 8 percent increase in 1989. Operating income growth in both years was also favorably affected by system efficiencies and a more favorable product mix.

In the United States, gallon sales increased 3 percent in 1990, compared to an increase of 2.5 percent in 1989. The increase in 1990 is due in part to the addition of significant new fountain customers.

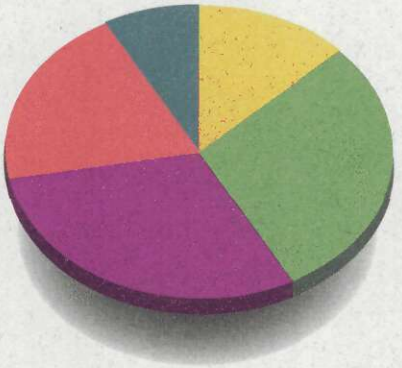
Soft drink gallon sales outside the United States increased 8 percent in 1990 and 10 percent in 1989. During 1990, gallon sales increased in every major market except Canada, where gallon sales declined principally due to bottler inventory reductions. Excluding Canada, 1990 international gallon sales of concentrates and syrups increased 9 percent.

In 1990, international performance was led by strong results in the European Community, where gallon sales advanced 14 percent. This was followed by gallon-sales gains of 11 percent in the Pacific, 8 percent in Northeast Europe and Africa and 4 percent in Latin America.

International gallon-sales increases in 1989 were led by 12 percent growth in Latin America, 11 percent growth in the European Community and 9 percent growth in the Pacific, while gallon sales increased 5 percent in Northeast Europe and Africa. Approximately 68 percent of soft drink gallon sales were generated outside the United States in 1990 compared to 67 percent in 1989.

Foods: In the foods business sector, 1990 revenues and operating income increased 1 percent and 7 percent, respectively. Revenues and operating income in 1990 increased 3 percent and 12 percent, respectively, when partial-year results of businesses sold during the prior year are excluded from 1989 amounts. The 1990 increases are attributable to price increases, offset by volume decreases. Operating income in 1990 also benefited from containment of costs, including marketing costs.

1990 Operating Income



The volume decreases are consistent with reductions in volume for the orange juice industry as a whole, which was impacted by the December 1989 freeze in Florida. The freeze resulted in a substantially smaller crop and significant price increases. The Company's 1990 volume was also affected by customer inventory building that occurred in late 1989 in anticipation of higher prices and the planned temporary shutdown of one of the Company's frozen orange juice production facilities. Volume decreased 10 percent and 21 percent in the Company's chilled and frozen orange juice categories, respectively. The volume decrease for chilled orange juice was moderated by a 10 percent volume gain for Minute Maid Premium Choice not-from-concentrate orange juice. In addition, volumes for products in aseptic packages increased by 10 percent.

The increase in revenues in 1989 was primarily due to volume increases in chilled juice, moderated by the inclusion of only partial-year earnings for businesses sold during the year.

Selling, Administrative and General Expenses

Selling expenses were $3.22 billion in 1990, $2.63 billion in 1989 and $2.45 billion in 1988. The increases were due primarily to higher marketing investments in line with expansion of the business. Nonrecurring, noncash charges related to the Company's United States soft drink business also contributed to the 1990 increase.

Administrative and general expenses increased 20 percent and 21 percent in 1990 and 1989, respectively. The 1990 increase was due to the growth of the business and the inclusion of a full year of administrative and general expenses of the French bottling operation acquired in 1989. The 1989 increase was due to employee compensation-related expenses, primarily stock-related benefits. Administrative and general expenses, as a percentage of net operating revenues, were approximately 8 percent in 1990 and 1989 and 7 percent in 1988.

Interest Income and Interest Expense

Interest income decreased in 1990 due primarily to lower average invested balances and lower interest rates. Interest income in 1989 remained consistent with 1988 levels.

Interest expense decreased in 1990 due principally to lower average borrowings and lower interest rates. Interest expense increased in 1989 due to higher average borrowings used primarily to make major investments in the bottling network and to finance the share repurchase program. This increase in average borrowings was partially offset by the reduction in short-term debt with proceeds from the sale of CPE stock in November 1989.

Equity Income

Equity income increased approximately $35 million in 1990 due primarily to the inclusion of a full year of equity earnings from CCA and growth in earnings of CCE. CCE's earnings included a pretax gain of approximately $56 million on the sale of two bottling operations to Johnston Coca-Cola Bottling Group, Inc., a bottling company that is 22 percent owned by the Company. This gain was partially offset by charges of $10 million for potentially uncollectible trade accounts receivable and restructuring charges of approximately $9 million related to the planned standardization of CCE's information systems operations. Equity income in 1990 was also positively affected by strong results of the Company's joint venture with Cadbury Schweppes plc in Great Britain.

Equity income decreased $17 million in 1989 due primarily to a decrease in 1989 earnings of CCE. CCE's 1989 earnings declined due to nonrecurring gains recorded in 1988 and higher per unit cost of sales and selling, administrative and general expenses in 1989.

Other Income and Deductions

Other income (deductions)—net experienced a positive change of $9 million in 1990. This change reflects a pretax gain of $52 million in the third quarter of 1990 on the Company's investment in BCI Securities L.P. (BCI) resulting from BCI's sale of Beatrice Company stock. This change was partially offset by net exchange losses in 1990 compared to net exchange gains in 1989. The positive change in other income (deductions)—net in 1989 of $38 million was primarily due to net exchange gains in 1989 compared to net exchange losses in 1988.

Gain on Sale of Belmont Springs

In 1989, the Company sold Belmont Springs Water Co., Inc., a bottled water operation, resulting in a pretax gain of approximately $61 million. On an after-tax basis, the gain was approximately $36 million or $.05 per common share.

Discontinued Operation

In November 1989, the Company sold its common and preferred stock investments in CPE for approximately $1.55 billion in cash. The sale resulted in a pretax gain of approximately $930 million. On an after-tax basis, the gain was approximately $509 million or $.74 per common share. CPE has been recorded as a discontinued operation, and, accordingly, the gain from the sale of CPE and the Company's equity income (loss) from CPE, through the date of sale, have been reported separately from continuing operations.

Liquidity and Capital Resources

The Company generates a significant amount of cash from operations. Cash flow from operating activities amounted to $1.3 billion, $1.1 billion and $1.2 billion in 1990, 1989 and 1988, respectively. Excluding estimated tax payments made in 1990 related to the 1989 gain on the sale of CPE stock, cash flow from operating activities in 1990 was $1.6 billion. The proceeds from this sale are classified as an investing activity in the 1989 Statement of Cash Flows.

In 1990, primary sources of cash were from operations, issuances of debt, the sale of a temporary investment and the CCE share repurchase program. Major uses of cash were capital expenditures, dividends, estimated tax payments related to the 1989 gain on the sale of CPE stock, purchases of common stock for treasury and the redemption of preferred stock.

In 1989, primary sources of cash were from operations, issuances of debt, the sale of the Company's investment in CPE, the sale of the Company's bottled water, coffee and tea businesses and the CCE share repurchase program. Primary uses of cash were capital expenditures, equity investments, acquisitions of businesses, purchases of common stock for treasury, dividends and payments of debt.

The Company maintains cash, cash equivalents and current marketable securities substantially in excess of minimum operating requirements. Excess cash, cash equivalents and current marketable securities (including a $232 million temporary investment in 1989) were estimated to be $1.2 billion at December 31, 1990 and 1989, excluding the Company's finance subsidiary.

For purposes of managing the Company's capital resources, management considers excess cash, cash equivalents and current marketable securities to be, in substance, reductions of debt. At December 31, 1990, the net-debt-to-net-capital ratio, excluding the Company's finance subsidiary, was 22.8 percent, compared with 14 percent at December 31, 1989. Considering the Company's self-imposed net-debt-to-net-capital ratio ceiling of 35 percent, this results in approximately $940 million of additional borrowing capacity at December 31, 1990.

The Company currently has credit lines and other credit facilities with various financial institutions under which the Company may borrow up to approximately $800 million. At December 31, 1990, the unused portion of these credit lines and facilities was approximately $600 million.

The Company aggressively manages its mix of short-term versus long-term debt to lower its overall cost of borrowing. This process, coupled with the share repurchase programs, resulted in current liabilities exceeding current assets at December 31, 1990 and 1989.

Working capital accounts, including trade accounts receivable, inventories and accounts payable, increased during 1990 due to the growth of the business, the expansion of the French operations and the entrance into new markets in eastern Germany. The increase in accounts payable was partially offset by the payment of approximately $108 million due to Coca-Cola Holdings (Arkansas) Inc. (CCH Arkansas). The decrease in prepaid expenses and other assets in 1990 was due primarily to the sale of the Company's temporary investment in CCH Arkansas to CCE.

The 1990 decrease in accrued taxes reflects estimated tax payments related to the gain on the November 1989 sale of the Company's investment in CPE. The estimated tax payments resulted in an increase in loans and notes payable. The 1990 increase in loans and notes payable was also attributable to capital investments, the redemption of preferred stock and the share repurchase program.

The increase in prepaid expenses and other assets in 1989 was due primarily to the Company's acquisition of the temporary investment in CCH Arkansas. The 1989 increase in goodwill and other intangible assets resulted from the acquisition of the French bottling operation.

The French acquisition also resulted in a 1989 increase in accounts payable and accrued expenses. Additionally, the Company had an account payable of approximately $108 million due to CCH Arkansas at December 31, 1989.

Loans and notes payable increased in 1989 principally due to additional funding used to finance equity investments, acquisitions of businesses and the share repurchase program. This increase was partially offset by cash received from the sale of the Company's investment in CPE.

The increase in accrued taxes in 1989 is primarily attributable to the income taxes incurred on the gain on the sale of CPE stock.

The 1989 decrease in long-term debt (including current maturities) was due primarily to the redemption of two $100 million debt issues and the repayment of a $100 million note.

International Operations

The Company distributes its products in nearly 170 countries and uses approximately 40 functional currencies. Approximately 80 percent of total operating income in 1990 was generated outside the United States. International operations are subject to certain risks and opportunities, including currency fluctuations and government actions. The Company closely monitors its methods of operating in each country and adopts strate-

gies responsive to changing economic and political environments. In addition, the Company engages in various hedging activities to minimize potential losses on cash flows denominated in foreign currencies and to offset foreign exchange movements on firm commitments and other transactions where the potential for loss exists.

Management estimates that, for the Company, the weighted average annual exchange rates of foreign hard currencies compared to the U.S. dollar increased approximately 5 percent in 1990 and decreased approximately 7 percent in 1989. Percentage increases (decreases) in average exchange rates relative to the U.S. dollar for several of the key foreign currencies are as follows:

	1990	1989	1988
Australia	0%	1%	12%
France	15%	(8)%	0%
Germany	17%	(6)%	2%
Italy	15%	(5)%	(1)%
Japan	(5)%	(7)%	12%
United Kingdom	10%	(9)%	9%

Exchange effects [net gains (losses) on foreign currency transactions and translation of balance sheet accounts for operations in countries for which the U.S. dollar serves as the functional currency] recorded in other income (deductions)—net were $(.5) million in 1990, $20 million in 1989 and $(13) million in 1988.

Impact of Inflation and Changing Prices

Inflation is a factor in many markets around the world and consequently impacts the way the Company operates. In general, management believes that the Company is able to adjust prices to counteract the effects of increasing costs and to generate sufficient cash flow to maintain its productive capability.

In highly inflationary countries, the Company has benefited from its net monetary liability position in recent years. This position may be viewed as a hedge against the effects of inflation, since net liabilities will be paid with devalued currency. However, a net monetary liability position does not represent an increase in funds available for distribution to shareholders and does not necessarily imply that incurring more debt would be beneficial to the Company.

Additional Information

For additional information concerning the Company's operations, cash flow, liquidity and capital resources, this analysis should be read in conjunction with the information on pages 44 through 62 of this Annual Report. Additional information concerning operations in different industries and geographic areas is presented on pages 59 and 60.

Selected Financial Data

(Dollars in millions except per share data)

Year Ended December 31,	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
Summary of Operations[1]											
Net operating revenues	$10,236	$8,622	$8,065	$7,658	$6,977	$5,879	$5,442	$5,056	$4,760	$4,836	$4,640
Cost of goods sold	4,208	3,548	3,429	3,633	3,454	2,909	2,738	2,580	2,472	2,675	2,594
Gross profit	6,028	5,074	4,636	4,025	3,523	2,970	2,704	2,476	2,288	2,161	2,046
Selling, administrative and general expenses	4,076	3,348	3,038	2,665	2,446	2,163	1,855	1,648	1,515	1,441	1,366
Provisions for restructured operations and disinvestment	—	—	—	36	180	—	—	—	—	—	—
Operating income	1,952	1,726	1,598	1,324	897	807	849	828	773	720	680
Interest income	170	205	199	232	154	151	133	90	119	85	56
Interest expense	231	308	230	297	208	196	128	77	76	34	30
Equity income	110	75	92	64	45	52	42	35	25	20	14
Other—net	13	66	(33)	40	410	69	13	2	11	(20)	(13)
Income from continuing operations before income taxes	2,014	1,764	1,626	1,363	1,298	883	909	878	852	771	707
Income taxes	632	571	537	496	471	314	360	374	379	339	313
Income from continuing operations	$ 1,382	$1,193	$1,089	$ 867	$ 827	$ 569	$ 549	$ 504	$ 473	$ 432	$ 394
Net income	$ 1,382	$1,724	$1,045	$ 916	$ 934	$ 722	$ 629	$ 559	$ 512	$ 482	$ 422
Preferred stock dividends	18	22	7	—	—	—	—	—	—	—	—
Net income available to common shareholders	$ 1,364	$1,702[2]	$1,038	$ 916	$ 934	$ 722	$ 629	$ 559	$ 512	$ 482	$ 422
Average common shares outstanding (in millions)[3]	669	692	729	755	774	787	793	817	779	742	741
Depreciation	$ 236	$ 181	$ 167	$ 152	$ 151	$ 130	$ 119	$ 111	$ 104	$ 94	$ 87
Capital expenditures	593	462	387	304	346	412	300	324	273	279	241
Per Common Share Data[3]											
Income from continuing operations	$ 2.04	$ 1.69	$ 1.48	$ 1.15	$ 1.07	$ .72	$ .69	$ .62	$ .61	$ .58	$ .53
Net income	2.04	2.46[2]	1.42	1.21	1.21	.92	.79	.68	.66	.65	.57
Cash dividends	.80	.68	.60	.56	.52	.49	.46	.45	.41	.39	.36
Market price at December 31	46.50	38.63	22.31	19.06	18.88	14.08	10.40	8.92	8.67	5.79	5.56
Year-End Position											
Cash, cash equivalents and marketable securities	$ 1,492	$1,182	$1,231	$1,489	$ 895	$ 843	$ 768	$ 559	$ 254	$ 344	$ 235
Property, plant and equipment—net	2,386	2,021	1,759	1,602	1,538	1,483	1,284	1,247	1,233	1,160	1,045
Total assets	9,278	8,283	7,451	8,606	7,675	6,341	5,241	4,540	4,212	3,373	3,152
Long-term debt	536	549	761	909	996	801	631	428	423	132	121
Total debt	2,537	1,981	2,124	2,995	1,848	1,280	1,310	520	493	227	213
Shareholders' equity	3,849	3,485	3,345	3,187	3,479	2,948	2,751	2,912	2,779	2,271	2,075
Total capital[4]	6,386	5,466	5,469	6,182	5,327	4,228	4,061	3,432	3,272	2,498	2,288
Financial Ratios											
Return on common equity[5]	39.2%	37.6%	34.7%	26.0%	25.7%	20.0%	19.4%	17.7%	18.7%	19.9%	19.7%
Return on capital[6]	26.0%	25.6%	21.3%	18.3%	20.1%	16.8%	16.7%	16.4%	17.9%	18.8%	18.9%
Total-debt-to-total-capital	39.7%	36.2%	38.8%	48.4%	34.7%	30.3%	32.3%	15.2%	15.1%	9.1%	9.3%
Net-debt-to-net-capital[7]	22.8%	14.0%	18.9%	15.4%	10.9%	15.6%	19.7%	5.6%	13.6%	2.9%	7.7%
Cash common stock dividend payout ratio	39.2%	27.6%[8]	42.1%	46.0%	43.1%	53.8%	57.9%	65.3%	62.8%	59.5%	63.2%

[1] *In 1982, the Company adopted SFAS No. 52, "Foreign Currency Translation."*

[2] *Net income available to common shareholders in 1989 includes after-tax gains of $545 million ($.79 per common share) from the sale of the Company's equity interest in CPE and the Company's bottled water business.*

[3] *Adjusted for a two-for-one stock split in 1990 and a three-for-one stock split in 1986.*

[4] *Total capital equals shareholders' equity plus total debt.*

[5] *Return on common equity is calculated by dividing income from continuing operations less preferred stock dividends by average common shareholders' equity.*

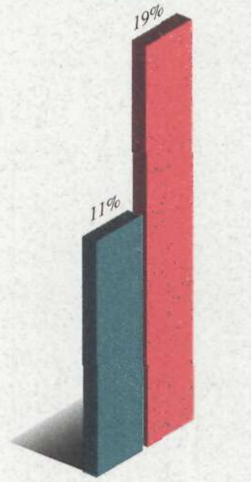
[6] *Return on capital is calculated by dividing income from continuing operations before interest expense by average total capital.*

[7] *Net debt and net capital are net of temporary investments and cash, cash equivalents and current marketable securities in excess of minimum operating requirements and exclude debt and excess cash of the Company's finance subsidiary.*

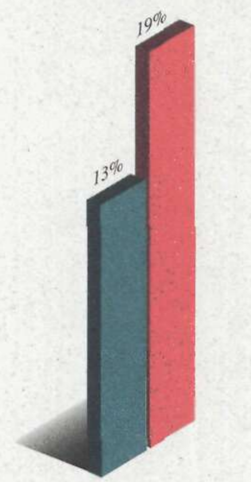
[8] *The dividend payout ratio in 1989, excluding the after-tax gains from the sale of the Company's equity interest in CPE and the Company's bottled water business, was 41 percent.*

Compound Growth Rates

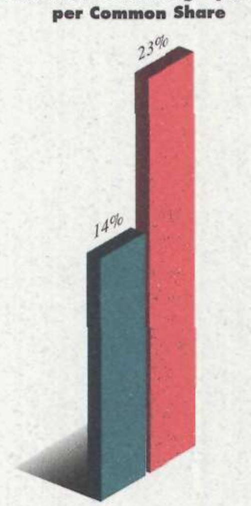
Operating Income



Income from Continuing Operations



Income from Continuing Operations per Common Share



■ 10 Year ■ 5 Year

Consolidated Balance Sheets

(Dollars in thousands except share data)

December 31,	1990	1989
Assets		
Current		
Cash and cash equivalents	$1,429,555	$1,096,020
Marketable securities, at cost (approximates market)	62,569	85,671
	1,492,124	1,181,691
Trade accounts receivable, less allowances of $29,510 in 1990 and $14,347 in 1989	913,541	768,335
Finance subsidiary—receivables	38,199	52,093
Inventories	982,313	789,077
Prepaid expenses and other assets	716,601	812,304
Total Current Assets	4,142,778	3,603,500
Investments and Other Assets		
Investments		
Coca-Cola Enterprises Inc.	666,847	695,195
Coca-Cola Amatil Limited	569,057	524,931
Other, principally bottling companies	788,718	710,297
Finance subsidiary—receivables	128,119	140,520
Long-term receivables and other assets	321,977	354,881
	2,474,718	2,425,824
Property, Plant and Equipment		
Land	147,057	146,482
Buildings and improvements	1,059,969	950,251
Machinery and equipment	2,204,188	1,890,960
Containers	374,526	307,012
	3,785,740	3,294,705
Less allowances for depreciation	1,400,175	1,273,486
	2,385,565	2,021,219
Goodwill and Other Intangible Assets	275,126	231,993
	$9,278,187	$8,282,536

December 31,	1990	1989
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued expenses	$1,576,426	$1,386,516
Loans and notes payable		
Finance subsidiary	161,432	184,691
Other	1,742,179	1,234,617
Current maturities of long-term debt	97,272	12,858
Accrued taxes	719,182	839,248
Total Current Liabilities	4,296,491	3,657,930
Long-Term Debt	535,861	548,708
Other Liabilities	332,060	294,358
Deferred Income Taxes	264,611	296,055
Shareholders' Equity		
Preferred stock, $1 par value—		
Authorized: 100,000,000 shares; Issued: 3,000 shares of Cumulative Money Market Preferred Stock in 1990 and 1989; Outstanding: 750 shares in 1990; 3,000 shares in 1989, stated at aggregate liquidation preference	75,000	300,000
Common stock, $.50 par value—		
Authorized: 1,400,000,000 shares; Issued: 840,487,486 shares in 1990; 837,819,578 shares in 1989	420,244	418,910
Capital surplus	512,703	437,324
Reinvested earnings	6,447,576	5,618,312
Unearned compensation related to outstanding restricted stock	(67,760)	(45,892)
Foreign currency translation adjustment	4,031	(7,206)
	7,391,794	6,721,448
Less treasury stock, at cost (172,248,315 common shares in 1990; 163,789,772 common shares in 1989)	3,542,630	3,235,963
	3,849,164	3,485,485
	$9,278,187	$8,282,536

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income

(Dollars in thousands except per share data)

Year Ended December 31,	1990	1989	1988
Net Operating Revenues	$10,236,350	$8,622,287	$8,065,424
Cost of goods sold	4,208,850	3,548,570	3,429,065
Gross Profit	6,027,500	5,073,717	4,636,359
Selling, administrative and general expenses	4,075,936	3,347,932	3,038,058
Operating Income	1,951,564	1,725,785	1,598,301
Interest income	169,985	205,035	199,333
Interest expense	230,979	308,034	230,513
Equity income	110,139	75,490	92,542
Other income (deductions)—net	13,727	4,847	(33,243)
Gain on sale of Belmont Springs Water Co., Inc.	—	61,187	—
Income from Continuing Operations before Income Taxes	2,014,436	1,764,310	1,626,420
Income taxes	632,532	571,471	537,434
Income from Continuing Operations	1,381,904	1,192,839	1,088,986
Equity income (loss) from discontinued operation	—	21,537	(44,283)
Gain on sale of discontinued operation (net of income taxes of $421,021)	—	509,449	—
Net Income	1,381,904	1,723,825	1,044,703
Preferred stock dividends	18,158	21,392	6,426
Net Income Available to Common Shareholders	$ 1,363,746	$1,702,433	$1,038,277
Income (Loss) per Common Share			
Continuing operations	$ 2.04	$ 1.69	$ 1.48
Discontinued operation	—	.77	(.06)
Net Income per Common Share	$ 2.04	$ 2.46	$ 1.42
Average Common Shares Outstanding (in thousands)	668,570	691,962	729,225

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

(Dollars in thousands)

Year Ended December 31,	1990	1989	1988
Operating Activities			
Net income	$1,381,904	$1,723,825	$1,044,703
Depreciation and amortization	243,888	183,765	169,768
Deferred income taxes	(30,254)	37,036	43,915
Equity income, net of dividends	(93,816)	(76,088)	(35,758)
Foreign currency adjustments	(77,068)	(31,043)	27,945
Gain on sale of businesses and investments before income taxes	(60,277)	(1,006,664)	—
Other noncash items (primarily nonrecurring charges in 1990)	97,752	24,360	13,351
Net change in operating assets and liabilities (1990 reflects estimated tax payments of approximately $300,000 related to the 1989 gain on the sale of Columbia Pictures Entertainment, Inc. stock)	(178,202)	279,382	(83,736)
Net cash provided by operating activities	1,283,927	1,134,573	1,180,188
Investing Activities			
Additions to finance subsidiary receivables	(31,551)	(57,006)	(172,866)
Collections of finance subsidiary receivables	58,243	188,810	145,358
Purchases of investments and other assets	(186,631)	(858,510)	(128,526)
Proceeds from disposals of investments and other assets	149,807	126,850	77,049
Proceeds from sale of businesses	—	1,680,073	—
Decrease (increase) in marketable securities	16,733	(3,889)	19,702
Purchases of property, plant and equipment	(592,971)	(462,466)	(386,757)
Proceeds from disposals of property, plant and equipment	19,208	60,665	43,332
Purchases of temporary investments and other	(113,875)	(145,009)	(258,481)
Proceeds from disposals of temporary investments	241,373	—	452,851
Collection of notes receivable—Columbia Pictures Entertainment, Inc.	—	—	544,889
Net cash provided by (used in) investing activities	(439,664)	529,518	336,551
Net cash provided by operations after reinvestment	844,263	1,664,091	1,516,739
Financing Activities			
Issuances of debt	592,417	336,370	140,929
Payments of debt	(81,594)	(410,690)	(992,527)
Preferred stock issued (redeemed)	(225,000)	—	300,000
Common stock issued	29,904	41,395	29,035
Purchases of common stock for treasury	(306,667)	(1,166,941)	(759,661)
Dividends (common and preferred)	(552,640)	(490,655)	(443,186)
Net cash used in financing activities	(543,580)	(1,690,521)	(1,725,410)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	32,852	(22,896)	(29,543)
Cash and Cash Equivalents			
Net increase (decrease) during the year	333,535	(49,326)	(238,214)
Balance at beginning of year	1,096,020	1,145,346	1,383,560
Balance at end of year	$1,429,555	$1,096,020	$1,145,346

See Notes to Consolidated Financial Statements.

Consolidated Statements of Shareholders' Equity

(Dollars in thousands except per share data)

Three Years Ended December 31, 1990	Preferred Stock	Common Stock	Capital Surplus	Reinvested Earnings	Unearned Restricted Stock	Foreign Currency Translation	Treasury Stock
Balance December 31, 1987		$415,977	$338,594	$3,783,625	$(37,414)	$ (4,247)	$(1,309,361)
Sales to employees exercising stock options		906	18,880	—	—	—	(1,459)
Tax benefit from employees' stock option and restricted stock plans		—	5,491	—	—	—	—
Translation adjustments (net of income taxes of $19)		—	—	—	—	(12,763)	—
Stock issued under restricted stock plan, less amortization of $7,884		512	21,424	—	(14,053)	—	—
Purchases of common stock for treasury		—	—	—	—	—	(758,202)
Preferred stock issued	$300,000	—	(4,125)	—	—	—	—
Net income	—	—	—	1,044,703	—	—	—
Dividends							
Preferred	—	—	—	(6,426)	—	—	—
Common (per share—$.60)	—	—	—	(436,760)	—	—	—
Balance December 31, 1988	300,000	417,395	380,264	4,385,142	(51,467)	(17,010)	(2,069,022)
Sales to employees exercising stock options	—	1,481	39,914	—	—	—	(3,804)
Tax benefit from employees' stock option and restricted stock plans	—	—	14,811	—	—	—	—
Translation adjustments (net of income taxes of $900)	—	—	—	—	—	9,804	—
Stock issued under restricted stock plan, less amortization of $7,944	—	34	2,335	—	5,575	—	—
Purchases of common stock for treasury	—	—	—	—	—	—	(1,163,137)
Net income	—	—	—	1,723,825	—	—	—
Dividends							
Preferred	—	—	—	(21,392)	—	—	—
Common (per share—$.68)	—	—	—	(469,263)	—	—	—
Balance December 31, 1989	300,000	418,910	437,324	5,618,312	(45,892)	(7,206)	(3,235,963)
Sales to employees exercising stock options	—	905	28,999	—	—	—	(2,762)
Tax benefit from employees' stock option and restricted stock plans	—	—	13,286	—	—	—	—
Translation adjustments (net of income taxes of $573)	—	—	—	—	—	11,237	—
Stock issued under restricted stock plans, less amortization of $11,655	—	429	33,094	—	(21,868)	—	—
Purchases of common stock for treasury	—	—	—	—	—	—	(303,905)
Redemption of preferred stock	(225,000)	—	—	—	—	—	—
Net income	—	—	—	1,381,904	—	—	—
Dividends							
Preferred	—	—	—	(18,158)	—	—	—
Common (per share—$.80)	—	—	—	(534,482)	—	—	—
Balance December 31, 1990	$ 75,000	$420,244	$512,703	$6,447,576	$(67,760)	$ 4,031	$(3,542,630)

See Notes to Consolidated Financial Statements.

1. Accounting Policies. The major accounting policies and practices followed by The Coca-Cola Company and subsidiaries (the Company) are as follows:

Consolidation: The consolidated financial statements include the accounts of the Company and all subsidiaries where control is not temporary. The Company's investments in companies in which it has the ability to exercise significant influence over operating and financial policies, including some investments where there is a temporary majority interest, are accounted for by the equity method. Accordingly, the Company's share of the earnings of these companies is included in consolidated net income. The Company's investments in other companies are carried at cost. All significant intercompany accounts and transactions are eliminated in consolidation.

Certain amounts in the 1989 and 1988 financial statements have been reclassified to conform to the current year presentation.

Net Income per Common Share: Net income per common share is computed by dividing net income less dividends on preferred stock by the weighted average number of common shares outstanding.

Cash Equivalents: Marketable securities that are highly liquid and have maturities of three months or less at the date of purchase are classified as cash equivalents.

Inventories: Inventories are valued at the lower of cost or market. In general, inventories are valued on the basis of average cost or first-in, first-out methods. However, certain soft drink and citrus inventories are valued on the last-in, first-out (LIFO) method. The excess of current costs over LIFO stated values amounted to approximately $42 million and $34 million at December 31, 1990 and 1989, respectively.

Property, Plant and Equipment: Property, plant and equipment is stated at cost, less allowances for depreciation. Depreciation expense is determined principally by the straight-line method. The annual rates of depreciation are 2 percent to 10 percent for buildings and improvements and 7 percent to 34 percent for machinery, equipment and containers.

Goodwill and Other Intangible Assets: Goodwill and other intangible assets are stated on the basis of cost and, if acquired subsequent to October 31, 1970, are being amortized, principally on a straight-line basis, over the estimated future periods to be benefited (not exceeding 40 years). Accumulated amortization was approximately $10 million and $3 million at December 31, 1990 and 1989, respectively.

Income Taxes: All income tax amounts and balances have been computed in accordance with APB Opinion No. 11, "Accounting for Income Taxes."

In December 1987, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes" (SFAS 96). The FASB is considering certain amendments to this Statement, including a delay in the required adoption date to fiscal years beginning after December 15, 1992. Assuming no significant amendments, the adoption of SFAS 96 is not expected to have a material impact on the Company's financial position.

2. Inventories consist of the following (in thousands):

December 31,	1990	1989
Finished goods	$396,168	$304,150
Work in process	18,451	22,240
Raw materials and supplies	567,694	462,687
	$982,313	$789,077

3. Equity Investments. Coca-Cola Enterprises Inc. (CCE) is the largest bottler of Company products in the United States. The Company owns approximately 49 percent of the outstanding common stock of CCE and, accordingly, accounts for its investment by the equity method of accounting. A summary of financial information for CCE is as follows (in thousands):

	December 28, 1990	December 29, 1989
Current assets	$ 495,341	$ 493,387
Noncurrent assets	4,525,255	4,238,559
Total assets	$5,020,596	$4,731,946
Current liabilities	$1,054,791	$ 996,122
Noncurrent liabilities	2,339,326	2,055,687
Total liabilities	$3,394,117	$3,051,809
Net assets	$1,626,479	$1,680,137
Company equity investment	$ 666,847	$ 695,195

Year Ended	December 28, 1990	December 29, 1989	December 30, 1988
Net operating revenues	$4,034,043	$3,881,947	$3,874,445
Cost of goods sold	2,359,267	2,313,032	2,268,038
Gross profit	$1,674,776	$1,568,915	$1,606,407
Income before income taxes	$ 184,247	$ 137,931	$ 267,721
Net income available to common shareholders	$ 77,148	$ 53,507	$ 142,719
Company equity income	$ 34,429	$ 26,218	$ 63,757

Net syrup/concentrate sales to CCE were $602 million in 1990, $569 million in 1989 and $546 million in 1988. CCE purchases sweeteners through the Company under a pass-through arrangement, and, accordingly, related collections from CCE and payments to suppliers are not included in the Company's consolidated statements of income. These transactions amounted to $185 million in 1990, $195 million in 1989 and $168 million in 1988. The Company also provides certain administrative and other services to CCE under negotiated fee arrangements.

The Company engages in a wide range of marketing programs, media advertising and other similar arrangements to promote the sale of Company products in territories in which CCE operates. The Company's direct support for certain CCE marketing activities and participation with CCE in cooperative advertising and other marketing programs, net of fees charged for services provided, amounted to approximately $181 million, $178 million and $163 million in 1990, 1989 and 1988, respectively.

In June 1990, the Company sold a temporary investment, Coca-Cola Holdings (Arkansas) Inc. (CCH Arkansas), to CCE for approximately $241 million and assumed indebtedness. Such amount approximates the Company's original investment made in 1989, plus carrying costs.

In June 1990, CCE recorded a pretax gain of approximately $56 million from the sale of two of its bottling subsidiaries. In December 1988, CCE sold one of its bottling subsidiaries and recorded a pretax gain of approximately $104 million. The purchaser of these three former CCE bottling subsidiaries was Johnston Coca-Cola Bottling Group, Inc. (Johnston), a bottling company that is a 22 percent-owned equity investee of the Company.

Under a CCE share repurchase program, the Company sold 4 million shares and 3 million shares of CCE common stock for $60 million and $49 million in 1990 and 1989, respectively. The Company intends to maintain a 49 percent ownership interest in CCE.

If the Company's shares in CCE were valued at the December 31, 1990, quoted closing price of the publicly traded CCE shares, the calculated value of the Company's investment in CCE would have exceeded the Company's carrying value by approximately $205 million.

Other Equity Investments: The Company owns approximately 51 percent of Coca-Cola Amatil Limited (CCA), an Australian-based bottler of Company products and manufacturer of snack foods. In August 1989, the Company acquired 59.5 percent of CCA's common stock for approximately $491 million (including certain acquisition-related costs). In separate transactions during 1990, CCA acquired an independent Australian bottler and the Company's 50 percent interest in a New Zealand bottling joint venture in exchange for consideration that included previously unissued common stock of CCA, resulting in a net reduction of the Company's ownership interest to its present level. The Company intends to reduce its ownership interest in CCA below 50 percent. Accordingly, the investment has been accounted for by the equity method of accounting. At December 31, 1990, the excess of the Company's investment over its equity in the underlying net assets of CCA was approximately $317 million, which is being amortized primarily over 40 years.

In January 1989, the Company received $2 million and 1.1 million shares of common stock of Coca-Cola Bottling Co. Consolidated (Consolidated) in exchange for 100 percent of the common stock of a bottling company which had been accounted for as a temporary investment. Such shares, with a carrying value of approximately $43 million at the transaction date, increased the Company's ownership interest in Consolidated from 20 percent to approximately 30 percent.

Operating results include the Company's proportionate share of income from equity investments since the respective dates of investment. A summary of financial information for the Company's equity investments, other than CCE, is as follows (in thousands):

December 31,	1990	1989
Current assets	$1,658,341	$1,504,051
Noncurrent assets	4,431,810	3,441,552
Total assets	$6,090,151	$4,945,603
Current liabilities	$1,696,796	$1,666,205
Noncurrent liabilities	2,518,902	1,947,918
Total liabilities	$4,215,698	$3,614,123
Net assets	$1,874,453	$1,331,480
Company equity investments	$1,310,209	$1,157,363

Year Ended December 31,	1990	1989	1988
Net operating revenues	$7,312,904	$5,598,946	$3,673,640
Cost of goods sold	4,609,004	3,633,647	2,412,869
Gross profit	$2,703,900	$1,965,299	$1,260,771
Income before income taxes	$ 327,784	$ 199,255	$ 114,599
Net income	$ 205,436	$ 123,752	$ 66,445
Company equity income	$ 75,710	$ 49,272	$ 28,785

Net sales to equity investees, other than CCE, were $1.2 billion in 1990. The Company participates in various marketing, promotional and other activities with these investees, the majority of which are located outside the United States.

If the Company's shares in publicly traded equity investees, excluding CCE, were valued at the December 31, 1990, quoted closing price of each investee's publicly traded shares, the net calculated value would have been approximately $112 million less than the investment carrying value. Management believes carrying values are fully recoverable through future operations.

The balance sheet caption "Other, principally bottling companies" also includes various investments that are carried at cost.

4. Finance Subsidiary. Coca-Cola Financial Corporation (CCFC) provides loans and other forms of financing to Coca-Cola bottlers and customers for the acquisition of sales-related equipment and for other business purposes. The approximate contractual maturities of finance receivables for the five years succeeding December 31, 1990, are as follows (in thousands):

1991	$38,199
1992	30,609
1993	20,156
1994	11,290
1995	7,111

These amounts do not reflect possible prepayments or renewals. Finance receivables include amounts due from Johnston of $56 million and $59 million at December 31, 1990 and 1989, respectively.

At December 31, 1990, CCFC had outstanding interest rate swap agreements which effectively change CCFC's floating interest exposure on $60 million of commercial paper to a fixed rate of approximately 8.2 percent.

5. Short-Term Borrowings and Credit Arrangements. Loans and notes payable consist of commercial paper and notes payable to banks and other financial institutions.

Under lines of credit and other credit facilities for short-term debt with various financial institutions, the Company may borrow up to approximately $800 million. These lines of credit are subject to normal banking terms and conditions. At December 31, 1990, the unused portion of the credit lines was approximately $600 million, of which approximately $500 million was available to support commercial paper borrowings. Some of the financial arrangements require compensating balances, none of which are presently significant to the Company.

6. Accrued Taxes are composed of the following amounts (in thousands):

December 31,	1990	1989
Income taxes	$618,590	$750,753
Sales, payroll and miscellaneous taxes	100,592	88,495
	$719,182	$839,248

7. Long-Term Debt consists of the following amounts (in thousands):

December 31,	1990	1989
11⅜% notes due November 28, 1991	$ 85,675	$ 85,675
9⅞% series B notes due November 26, 1992	59,667	31,034
5¾% notes due April 24, 1996	222,977	212,623
5¾% notes due March 25, 1998	166,953	148,854
Other	97,861	83,380
	633,133	561,566
Less current portion	97,272	12,858
	$535,861	$548,708

Notes outstanding at December 31, 1990, were issued outside the United States and are redeemable at the Company's option under certain conditions related to U.S. and foreign tax laws. The 5¾ percent notes due April 24, 1996, are denominated in Japanese yen and the 5¾ percent notes due March 25, 1998, are denominated in German marks. Portions of such notes have been swapped for U.S. dollar, Swiss franc and Belgian franc denominated liabilities. The Company has designated such foreign currency borrowings as hedges against its net investments in those respective countries.

Other long-term debt consists of various mortgages and notes with maturity dates ranging from 1991 to 2013. Interest on a portion of this debt varies with the changes in the prime rate, and the weighted average interest rate applicable to the remainder is approximately 12.7 percent.

Maturities of long-term debt for the five years succeeding December 31, 1990, are as follows (in thousands):

1991	$97,272
1992	78,353
1993	24,750
1994	14,103
1995	8,009

The above notes include various restrictions, none of which are presently significant to the Company.

At December 31, 1990, the Company is contingently liable for guarantees of indebtedness owed by third parties of $139 million, of which $82 million is related to independent bottling licensees.

Interest paid was approximately $233 million, $319 million and $250 million in 1990, 1989 and 1988, respectively.

8. Financial Instruments. The Company has various financial instruments with off-balance-sheet risk for the primary purpose of reducing its exposure to fluctuations in foreign currency exchange rates and interest rates. While these financial instruments are subject to the risk that market rates may change subsequent to the acquisition of the financial instrument, such changes would generally be offset by opposite effects on the items being hedged. The Company's financial instruments typically mature within one year of origination and are transacted at rates which reflect the market rate at the date of contract.

At December 31, 1990, the Company had $1.3 billion of foreign currency financial instruments, substantially all of which were forward exchange contracts to purchase or sell foreign currency (primarily French francs, German marks and Japanese yen). These instruments were employed to hedge balance sheet and transactional exposure.

See Note 4 for discussion of interest rate swaps and Note 7 for discussion of foreign currency swaps and financial guarantees provided by the Company.

9. Preferred Stock. In the fourth quarter of 1990, the Company redeemed 2,250 shares of its nonvoting Cumulative Money Market Preferred Stock (MMP) at the $225 million aggregate liquidation value plus an amount equal to accrued dividends. The remaining 750 shares of the MMP were redeemed after December 31, 1990, at the $75 million aggregate liquidation value plus an amount equal to accrued dividends. During 1990 and 1989, weighted average dividend rates (per annum) for the MMP were approximately 6 percent and 7 percent, respectively.

10. Common Stock. On April 18, 1990, the Company's shareholders approved an increase in the authorized common stock of the Company from 700 million shares to 1.4 billion shares, a two-for-one stock split and a change in the par value of common stock from $1.00 per share to $.50 per share. Accordingly, all share data has been restated for periods prior to the stock split. Common shares outstanding and related changes for the three years ended December 31, 1990, are as follows (in thousands):

	1990	1989	1988
Stock outstanding at January 1,	**674,030**	709,578	744,713
Stock issued to employees exercising stock options	**1,810**	2,962	1,811
Stock issued under restricted stock plans	**858**	68	1,023
Purchases of common stock for treasury	**(8,459)**	(38,578)	(37,969)
Stock outstanding at December 31,	**668,239**	674,030	709,578

11. Restricted Stock, Stock Options and Other Stock Plans. The Company sponsors restricted stock award plans, stock option plans, Incentive Unit Agreements and Performance Unit Agreements.

Under the amended 1989 Restricted Stock Award Plan and the amended 1983 Restricted Stock Award Plan (the Plans), 10,000,000 and 6,000,000 shares of restricted common stock, respectively, may be granted to certain officers and key employees of the Company. 858,000 shares, 68,000 shares and 1,023,000 shares were granted in 1990, 1989 and 1988, respectively. At December 31, 1990, 9,944,000 shares were available for grant under the Plans. Shares issued under the Plans are subject to transfer restrictions and may be forfeited if the participant leaves the Company for reasons other than retirement (as defined by the Plans), disability or death or if a change in control of the Company occurs. The participant is entitled to vote and receive dividends on the shares, and, under the 1983 Restricted Stock Award Plan, the participant is reimbursed by the Company for the personal income tax liability resulting from the stock award.

The Company's 1987 Stock Option Plan (the SOP) covers 16,000,000 shares of the Company's common stock. The SOP provides for the granting of stock appreciation rights and/or stock options to certain officers and employees. The stock appreciation rights permit the holder, upon surrendering all or part of the related stock option, to receive cash, common stock or a combination thereof, in an amount up to 100 percent of the difference between the market price and the option price. Options outstanding at December 31, 1990, also include various options granted under previous plans.

Further information relating to options is as follows:

	1990	1989	1988
Options outstanding at January 1,	13,504,052	17,315,580	11,220,694
Options granted during the year	5,195,700	31,800	8,365,900
Options exercised during the year	(1,809,908)	(2,962,456)	(1,811,196)
Options canceled during the year	(357,392)	(880,872)	(459,818)
Options outstanding at December 31,	16,532,452	13,504,052	17,315,580
Options exercisable at December 31,	9,569,002	8,560,846	6,826,166
Shares available at December 31, for options which may be granted	1,558,616	6,642,616	6,516,902
Option prices per share			
Exercised during the year	\$5-\$39	\$5-\$23	\$5-\$19
Unexercised at December 31,	\$6-\$48	\$5-\$24	\$5-\$23

In 1988, the Company entered into Incentive Unit Agreements, whereby certain officers will be granted cash awards based on the market value of 600,000 shares of the Company's common stock at the measurement dates. The Incentive Unit Agreements provide that the officers be reimbursed by the Company for the personal income tax liability resulting from the awards.

In 1985, the Company entered into Performance Unit Agreements, whereby certain officers will be granted cash awards based on the difference in the market value of 1,110,000 shares of the Company's common stock at the measurement dates and the base price of \$10.31, the market value as of January 2, 1985.

12. Pension Plans. In the United States, the Company sponsors and/or contributes to pension plans covering substantially all U.S. employees and certain employees in international locations. The benefits are primarily based on years of service and the employees' compensation for certain periods during the last years of employment. Pension costs are generally funded currently, subject to regulatory funding limitations. The Company also sponsors nonqualified, unfunded defined benefit plans for certain officers and other employees.

Outside the United States, the Company and its subsidiaries have various pension plans and other forms of postretirement arrangements. In 1989, the Company adopted Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions" (SFAS 87), for international plans. The impact on 1989 pension expense was insignificant.

Total pension expense amounted to approximately \$30 million in 1990, \$23 million in 1989 and \$24 million in 1988. Net periodic pension cost for the Company's defined benefit plans subject to SFAS 87 requirements in 1990, 1989 and 1988 includes the following components (in thousands):

	U.S. Plans			International Plans	
Year Ended December 31,	1990	1989	1988	1990	1989
Service cost—benefits earned during the period	\$10,684	\$ 9,830	\$11,762	\$12,902	\$12,133
Interest cost on projected benefit obligation	41,786	35,393	35,233	14,720	12,539
Actual return on plan assets	(9,121)	(95,254)	(62,357)	(3,811)	(16,108)
Net amortization and deferral	(31,168)	56,548	25,785	(11,273)	2,240
Net periodic pension cost	\$12,181	\$ 6,517	\$10,423	\$12,538	\$10,804

The following table sets forth the funded status for the Company's defined benefit plans at December 31, 1990 and 1989 (in thousands):

	U.S. Plans				International Plans			
December 31,	1990	1989	1990	1989	1990	1989	1990	1989
	Assets Exceed Accumulated Benefits		Accumulated Benefits Exceed Assets		Assets Exceed Accumulated Benefits		Accumulated Benefits Exceed Assets	
Actuarial present value of benefit obligations								
Vested benefit obligation	$340,598	$284,986	$ 53,386	$ 40,985	$ 84,890	$137,005	$ 70,044	$ 2,991
Accumulated benefit obligation	$362,724	$305,853	$ 57,372	$ 43,391	$ 89,263	$141,920	$ 72,938	$ 4,995
Projected benefit obligation	$424,118	$364,328	$ 65,703	$ 49,619	$129,435	$201,107	$113,842	$ 6,375
Plan assets at fair value (primarily listed stocks, bonds and government securities)	508,267	529,067	811	—	160,945	207,806	62,335	1,961
Plan assets in excess of (less than) projected benefit obligation	84,149	164,739	(64,892)[1]	(49,619)[1]	31,510	6,699	(51,507)	(4,414)
Unrecognized net (asset) liability at transition	(44,317)	(48,109)	23,416	23,089	(32,076)	8,361	38,121	1,064
Unrecognized prior service cost	28,302	5,810	1,175	580	2,017	1,588	—	—
Unrecognized net (gain) loss	(64,617)	(117,237)	5,647	(1,533)	5,171	(10,926)	58	540
Adjustment required to recognize minimum liability	—	—	(21,941)	(15,908)	—	—	(167)	(56)
Accrued pension asset (liability) included in the consolidated balance sheet	$ 3,517	$ 5,203	$(56,595)	$(43,391)	$ 6,622	$ 5,722	$(13,495)	$(2,866)

[1] *Substantially all of this amount relates to nonqualified, unfunded defined benefit plans.*

The assumptions used in computing the above information are presented below:

	U.S. Plans			International Plans (weighted average rates)	
	1990	1989	1988	1990	1989
Discount rates	9%	9%	9%	8%	7%
Rates of increase in compensation levels	6%	6%	6%	6%	4%
Expected long-term rates of return on assets	9½%	9%	8%	8%	8%

The Company also has plans that provide postretirement health care and life insurance benefits to substantially all U.S. employees and certain international employees who retire with a minimum of five years of service. The annual cash cost of these benefits is not significant. In 1990, the FASB issued Statement of Financial Accounting Standards No. 106, "Accounting for Postretirement Benefits Other than Pensions" (SFAS 106). The required adoption date for SFAS 106 for the Company is January 1, 1993. SFAS 106 will require companies to accrue the cost of postretirement health care and life insurance benefits within employees' active service periods. Based on preliminary studies and evaluations, the adoption of SFAS 106 is not expected to have any significant impact on the Company's financial position.

13. Income Taxes. The components of income before income taxes for both continuing and discontinued operations consist of the following (in thousands):

Year Ended December 31,	1990	1989	1988
United States	$ 494,544	$1,459,213	$ 439,149
Foreign	1,519,892	1,257,104	1,142,988
	$2,014,436	$2,716,317	$1,582,137

Income taxes for continuing and discontinued operations consist of the following amounts (in thousands):

Year Ended December 31,	United States	State & Local	Foreign	Total
1990				
Current	$134,973	$26,515	$501,298	$662,786
Deferred	(49,387)	(2,596)	21,729	(30,254)
1989				
Current	$478,004	$84,072	$393,380	$955,456
Deferred	(8,025)	160	44,901	37,036
1988				
Current	$ 53,084	$14,329	$426,106	$493,519
Deferred	14,857	4,641	24,417	43,915

The Company made income tax payments of approximately $803 million, $537 million and $517 million in 1990, 1989 and 1988, respectively.

A reconciliation of the statutory U.S. federal rates and effective rates for continuing operations is as follows:

Year Ended December 31,	1990	1989	1988
Statutory rate	34.0%	34.0%	34.0%
State income taxes—net of federal benefit	1.0	1.0	.8
Earnings in jurisdictions taxed at rates different from the U.S. federal rate	(2.6)	(1.6)	(.8)
Equity income	(1.8)	(1.5)	(2.0)
Other—net	.8	.5	1.0
	31.4%	32.4%	33.0%

Deferred taxes are provided principally for depreciation, certain employee compensation-related expenses and certain capital transactions that are recognized in different years for financial statement and income tax purposes. The Company has manufacturing facilities in Puerto Rico that operate under a negotiated exemption grant that expires December 31, 2009.

Appropriate U.S. and foreign taxes have been provided for earnings of subsidiary companies that are expected to be remitted to the parent company in the near future. Accumulated unremitted earnings of foreign subsidiaries that are expected to be required for use in the foreign operations were approximately $69 million at December 31, 1990, exclusive of amounts that, if remitted, would result in little or no tax.

14. Acquisitions and Divestitures. The Company periodically engages in the acquisition and/or divestiture of bottling and other related companies. Generally, these transactions are not material to the financial position or results of operations of the Company, either individually or in the aggregate, and are therefore not separately identified herein.

In August 1989, the Company acquired all of the Coca-Cola bottling operations of Pernod Ricard for an aggregate purchase price of approximately $140 million. The fair values of assets acquired and liabilities assumed were $285 million and $145 million, respectively. Pernod Ricard operated the Coca-Cola bottling, canning and distribution business in six major territories in France. The acquisition was accounted for by the purchase method. Operating results have been included in the consolidated statements of income from the date of acquisition and did not have a significant effect on consolidated operating results.

In August 1989, the Company sold Belmont Springs Water Co., Inc., a bottled water operation, which resulted in a pretax gain of approximately $61 million.

See Note 3 for discussions of the equity investment in CCA, which was acquired in August 1989, and the temporary investment in CCH Arkansas, which was acquired in July 1989 and sold in June 1990.

15. Net Change in Operating Assets and Liabilities. The changes in operating assets and liabilities, net of effects of acquisitions and divestitures of businesses and unrealized exchange gains/losses, are as follows (in thousands):

Year Ended December 31,	1990	1989	1988
Decrease (increase) in trade accounts receivable	$ (87,749)	$ (99,496)	$ 33,887
Increase in inventories	(169,442)	(34,709)	(25,744)
Increase in prepaid expenses and other assets	(65,758)	(204,222)	(35,496)
Increase (decrease) in accounts payable and accrued expenses	198,631	88,940	(36,139)
Increase (decrease) in accrued taxes	(111,014)	456,544	(17,618)
Increase (decrease) in other liabilities	57,130	72,325	(2,626)
	$(178,202)	$279,382	$(83,736)

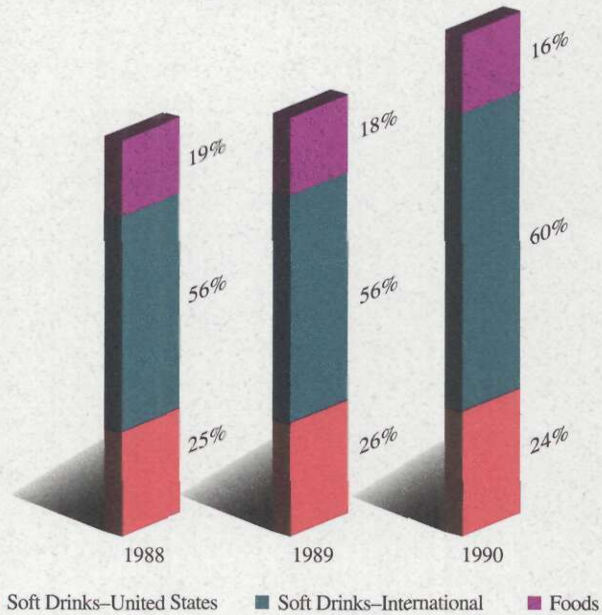
16. Gain on Investment. In the third quarter of 1990, the Company realized a pretax gain of $52 million on its investment in BCI Securities L.P. (BCI) resulting from BCI's sale of Beatrice Company stock. This gain is included in "Other income (deductions)—net" in the accompanying consolidated statements of income.

17. Nonrecurring Charges. In the third quarter of 1990, the Company recorded nonrecurring, noncash pretax charges aggregating approximately $49 million related to its United States soft drink business. These charges reflect accelerated amortization of certain software costs due to management plans to upgrade and standardize information systems and adjustments to the carrying value of certain fountain equipment and marketing related items to amounts estimated to be recoverable in future periods. These charges are included in "Selling, administrative and general expenses" in the accompanying consolidated statements of income.

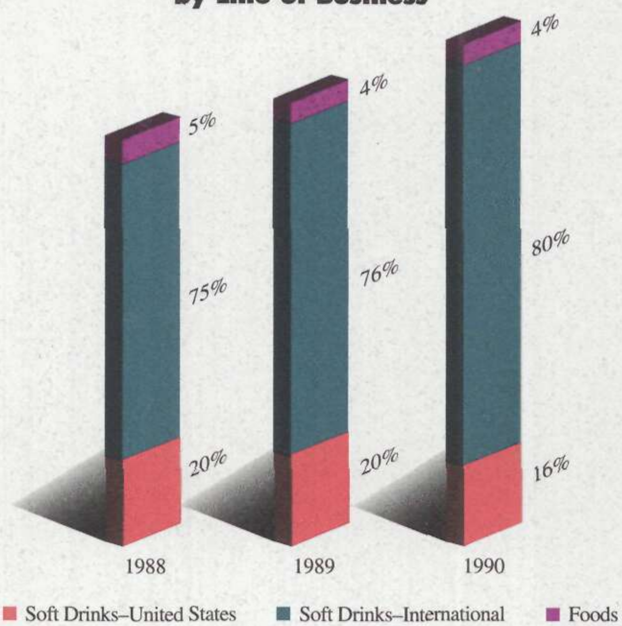
18. Discontinued Operation. In November 1989, the Company sold its entire equity interest in Columbia Pictures Entertainment, Inc. (CPE) for approximately $1.55 billion in cash. The equity interest consisted of approximately 49 percent of the outstanding common shares of CPE and 1,000 shares of preferred stock. The sale resulted in a pretax gain of approximately $930 million. On an after-tax basis, the gain was approximately $509 million or $.74 per common share. The effective tax rate of 45 percent on the gain on the sale of CPE stock differs from the statutory U.S. federal rate of 34 percent due primarily to differences between the book basis and tax basis of the Company's investment in CPE.

CPE has been reported as a discontinued operation, and, accordingly, the gain from the sale of CPE stock and the Company's equity income (loss) from CPE have been reported separately from continuing operations.

Net Operating Revenues by Line of Business



Operating Income by Line of Business



19. Lines of Business. The Company operates in two major lines of business: soft drinks and foods (principally juice-based beverages). Information concerning operations in these businesses at December 31, 1990, 1989 and 1988, and for the years then ended, is presented below (in millions):

	Soft Drinks				
1990	United States	International	Foods	Corporate	Consolidated
Net operating revenues	$2,461.3	$6,125.4	$1,604.9	$ 44.8	$10,236.4
Operating income	358.1[1]	1,801.4	93.5	(301.4)	1,951.6
Identifiable operating assets	1,691.0	3,672.2	759.2	1,131.2[2]	7,253.6
Equity income				110.1	110.1
Investments				2,024.6[3]	2,024.6
Capital expenditures	138.4	321.4	68.2	65.0	593.0
Depreciation and amortization	88.5	94.4	28.3	32.7	243.9

	Soft Drinks				
1989	United States	International	Foods	Corporate	Consolidated
Net operating revenues	$2,222.2	$4,759.2	$1,583.3	$ 57.6	$8,622.3
Operating income	390.6	1,517.6	87.4	(269.8)	1,725.8
Identifiable operating assets	1,814.4	2,806.0	695.3	1,036.4[2]	6,352.1
Equity income				75.5	75.5
Investments				1,930.4[3]	1,930.4
Capital expenditures	136.3	215.6	61.6	49.0	462.5
Depreciation and amortization	73.9	48.4	30.7	30.8	183.8

	Soft Drinks				
1988	United States	International	Foods	Corporate	Consolidated
Net operating revenues	$2,012.0	$4,503.8	$1,512.1	$ 37.5	$8,065.4
Operating income	351.9	1,338.8	89.3	(181.7)	1,598.3
Identifiable operating assets	1,711.9	2,097.1	694.1	1,035.5[2]	5,538.6
Equity income				92.5	92.5
Investments				1,912.0[3]	1,912.0
Capital expenditures	80.2	159.2	82.0	65.4	386.8
Depreciation and amortization	66.9	42.8	32.0	28.1	169.8

Intercompany transfers between sectors are not material.

[1] *Includes nonrecurring charges aggregating $49 million.*

[2] *General corporate identifiable operating assets are composed principally of marketable securities and fixed assets.*

[3] *Investments include investments in soft drink bottling companies and joint ventures for all periods and CPE for 1988. The Company's investment in CPE, which was sold in November 1989, approximated $598.1 million at December 31, 1988.*

20. Operations in Geographic Areas. Information about the Company's operations in different geographic areas at December 31, 1990, 1989 and 1988, and for the years then ended, is presented below (in millions):

1990	United States	Latin America	European Community	Northeast Europe and Africa	Pacific and Canada	Corporate	Consolidated
Net operating revenues	$3,931.0	$813.0	$2,804.8	$562.8	$2,080.0	$ 44.8	$10,236.4
Operating income	440.4[1]	300.2	666.5	174.2	671.7	(301.4)	1,951.6
Identifiable operating assets	2,414.2	640.3	1,818.8	400.1	849.0	1,131.2[2]	7,253.6
Equity income						110.1	110.1
Investments						2,024.6[3]	2,024.6
Capital expenditures	204.0	59.7	203.5	38.8	22.0	65.0	593.0
Depreciation and amortization	115.6	18.0	54.5	7.6	15.5	32.7	243.9

1989	United States	Latin America	European Community	Northeast Europe and Africa	Pacific and Canada	Corporate	Consolidated
Net operating revenues	$3,678.7	$646.2	$1,855.1	$425.2	$1,959.5	$ 57.6	$8,622.3
Operating income	468.2	226.7	540.6	147.3	612.8	(269.8)	1,725.8
Identifiable operating assets	2,476.0	515.4	1,342.8	328.8	652.7	1,036.4[2]	6,352.1
Equity income						75.5	75.5
Investments						1,930.4[3]	1,930.4
Capital expenditures	196.4	30.7	133.9	24.6	27.9	49.0	462.5
Depreciation and amortization	103.5	11.8	18.0	4.9	14.8	30.8	183.8

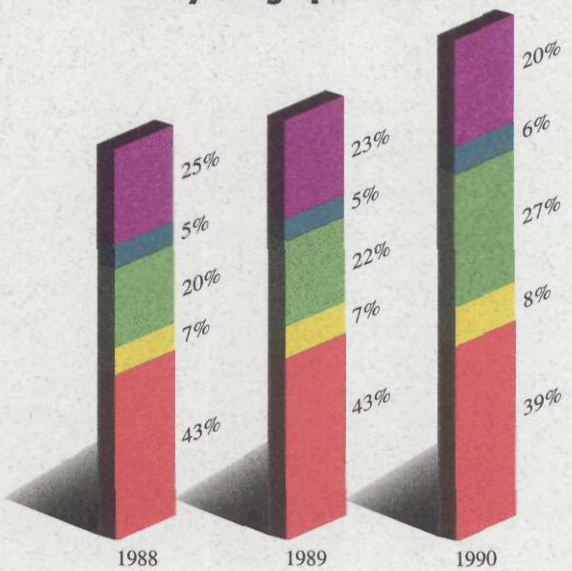
1988	United States	Latin America	European Community	Northeast Europe and Africa	Pacific and Canada	Corporate	Consolidated
Net operating revenues	$3,411.2	$583.2	$1,618.3	$385.2	$2,030.0	$ 37.5	$8,065.4
Operating income	433.9	179.5	465.7	130.4	570.5	(181.7)	1,598.3
Identifiable operating assets	2,353.4	431.8	754.8	279.4	683.7	1,035.5[2]	5,538.6
Equity income						92.5	92.5
Investments						1,912.0[3]	1,912.0
Capital expenditures	159.2	65.6	55.5	13.8	27.3	65.4	386.8
Depreciation and amortization	97.8	10.9	15.6	3.7	13.7	28.1	169.8

Intercompany transfers between geographic areas are not material.
Identifiable liabilities of operations outside the United States amounted to approximately $1,498.3 million, $1,082.8 million and $946.2 million at December 31, 1990, 1989 and 1988, respectively.

[1] *Includes nonrecurring charges aggregating $49 million.*
[2] *General corporate identifiable operating assets are composed principally of marketable securities and fixed assets.*
[3] *Investments include investments in soft drink bottling companies and joint ventures for all periods and CPE for 1988. The Company's investment in CPE, which was sold in November 1989, approximated $598.1 million at December 31, 1988.*

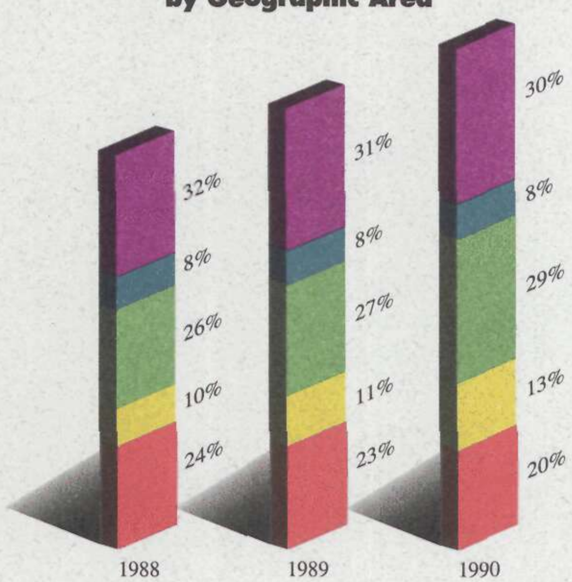
Report of Independent Auditors

Net Operating Revenues by Geographic Area



United States, Latin America, European Community, Northeast Europe & Africa, Pacific & Canada

Operating Income by Geographic Area



United States, Latin America, European Community, Northeast Europe & Africa, Pacific & Canada

Board of Directors and Shareholders
The Coca-Cola Company

We have audited the accompanying consolidated balance sheets of The Coca-Cola Company and subsidiaries as of December 31, 1990 and 1989, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1990. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1990 and 1989, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1990, in conformity with generally accepted accounting principles.

Ernst + Young

Atlanta, Georgia
January 25, 1991

Management is responsible for the preparation and integrity of the consolidated financial statements appearing in this Annual Report. The financial statements were prepared in conformity with generally accepted accounting principles appropriate in the circumstances and, accordingly, include some amounts based on management's best judgments and estimates. Financial information in this Annual Report is consistent with that in the financial statements.

Management is responsible for maintaining a system of internal accounting control and procedures to provide reasonable assurance, at an appropriate cost/benefit relationship, that assets are safeguarded and that transactions are authorized, recorded and reported properly. The internal accounting control system is augmented by a program of internal audits and appropriate reviews by management, written policies and guidelines, careful selection and training of qualified personnel and a written Code of Business Conduct adopted by the Board of Directors, applicable to all employees of the Company and its subsidiaries. Management believes that the Company's internal accounting controls provide reasonable assurance that assets are safeguarded against material loss from unauthorized use or disposition and that the financial records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

The Audit Committee of the Board of Directors, composed solely of Directors who are not officers of the Company, meets with the independent auditors, management and internal auditors periodically to discuss internal accounting controls and auditing and financial reporting matters. The Committee reviews with the independent auditors the scope and results of the audit effort. The Committee also meets with the independent auditors and the chief internal auditor without management present to ensure that the independent auditors and the chief internal auditor have free access to the Committee.

The independent auditors, Ernst & Young, are recommended by the Audit Committee of the Board of Directors, selected by the Board of Directors and ratified by the shareholders. Ernst & Young is engaged to audit the consolidated financial statements of The Coca-Cola Company and subsidiaries and conduct such tests and related procedures as it deems necessary in conformity with generally accepted auditing standards. The opinion of the independent auditors, based upon their audits of the consolidated financial statements, is contained in this Annual Report.

Roberto C. Goizueta
Chairman, Board of Directors,
and Chief Executive Officer

Jack L. Stahl
Senior Vice President
and Chief Financial Officer

Patrick M. Worsham
Vice President
and Controller

January 25, 1991

Quarterly Data (Unaudited)

(Dollars in millions except per share data)

For the years ended December 31, 1990 and 1989

1990	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net operating revenues	$2,148.3	$2,739.3	$2,792.8	$2,556.0	$10,236.4
Gross profit	1,281.8	1,639.4	1,625.5	1,480.8	6,027.5
Income from continuing operations	283.5	409.9	394.2	294.3	1,381.9
Net income	283.5	409.9	394.2	294.3	1,381.9
Net income available to common shareholders	278.6	405.1	389.4	290.6	1,363.7
Income per common share from continuing operations	.41	.61	.58	.44	2.04
Net income per common share	.41	.61	.58	.44	2.04

1989	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net operating revenues	$1,910.6	$2,331.2	$2,206.5	$2,174.0	$8,622.3
Gross profit	1,152.7	1,382.7	1,306.6	1,231.7	5,073.7
Income from continuing operations	259.3	346.0	356.0	231.5	1,192.8
Net income	259.8	345.5	361.3	757.2	1,723.8
Net income available to common shareholders	254.4	339.9	356.0	752.1	1,702.4
Income per common share from continuing operations	.36	.49	.51	.33	1.69
Net income per common share	.36	.49	.51	1.11	2.46

The third quarter of 1990 includes a $52 million pretax gain ($.05 per common share after income taxes) on the Company's investment in BCI Securities L.P. and nonrecurring pretax charges of $49 million ($.05 per common share after income taxes) related to the Company's United States soft drink business.

The third quarter of 1989 includes a $61 million pretax gain ($.05 per common share after income taxes) on the sale of the Company's bottled water business.

The fourth quarter of 1989 includes a $930 million pretax gain ($509 million after income taxes) on the sale of the Company's interest in CPE. This gain increased net income per common share by $.75 for the quarter and $.74 for the year. Average shares outstanding, which are used in the computation of net income per common share, were 678 million shares for the quarter and 692 million shares for the year. Such differences caused the sum of net income per common share for the four quarters of 1989 to be $.01 higher than the reported full year amount.

Corporate Officers

Roberto C. Goizueta
Chairman, Board of Directors, and Chief Executive Officer

Donald R. Keough
President and Chief Operating Officer

Executive Vice Presidents

John W. Georgas
A. Garth Hamby
Ira C. Herbert

Senior Vice Presidents

Ralph H. Cooper
M.A. Gianturco
John Hunter
E. Neville Isdell
M. Douglas Ivester
Weldon H. Johnson
Robert A. Keller
Earl T. Leonard, Jr.
Alex Malaspina
Peter S. Sealey
Jack L. Stahl
R.V. Waltemeyer
Carl Ware

Vice Presidents

William W. Allison
Anton Amon
William R. Buehler
Robert L. Callahan, Jr.
Philip J. Carswell, Jr.
Carlton L. Curtis
William J. Davis
Lance E. Disley
Murray D. Friedman
John J. Gillin
Joseph R. Gladden, Jr.
George Gourlay
Robert D. Guy
Gary P. Hite
David L. Kennedy, Jr.
W. Glenn Kernel
Gloria E. Lemos
John R. Morrison
Maury C. Roe
Roy G. Stout
Hugh K. Switzer
Harry E. Teasley, Jr.
Michael W. Walters
Patrick M. Worsham

Jack L. Stahl
Chief Financial Officer

Joseph R. Gladden, Jr.
General Counsel

Lance E. Disley
Treasurer

Patrick M. Worsham
Controller

Susan E. Shaw
Secretary

Executive Officers—Operating Units

North America Business Sector

Ira C. Herbert
President

Coca-Cola USA

M. Douglas Ivester
President

Coca-Cola Foods

Harry E. Teasley, Jr.
President

International Business Sector

John W. Georgas
President

Pacific Group

John Hunter
President

European Community Group

Ralph H. Cooper
President

Northeast Europe/Africa Group

E. Neville Isdell
President

Latin America Group

Weldon H. Johnson
President

Board of Directors

Herbert A. Allen
President and Chief Executive Officer
The investment banking firm Allen & Company Incorporated

Cathleen P. Black
Executive Vice President, Marketing
Gannett Co., Inc.
Publisher, USA TODAY

Warren E. Buffett
Chairman of the Board and Chief Executive Officer
The diversified holding company
Berkshire Hathaway Inc.

Anne Cox Chambers
Chairman
Atlanta Newspapers

Charles W. Duncan, Jr.
Private Investor

Roberto C. Goizueta
Chairman, Board of Directors, and Chief Executive Officer
The Coca-Cola Company

Donald R. Keough
President and Chief Operating Officer
The Coca-Cola Company

James T. Laney
President
Emory University

Donald F. McHenry
University Research Professor of Diplomacy and International Affairs
Georgetown University

Paul F. Oreffice
Chairman of the Board
The Dow Chemical Company

James D. Robinson, III
Chairman, President and Chief Executive Officer
American Express Company

James M. Sibley
Partner in the law firm
King & Spalding

William B. Turner
Chairman, Executive Committee of Board of Directors
The diversified company
W.C. Bradley Co.
Chairman, Executive Committee of Board of Directors
Synovus Financial Corp.
Chairman of the Board
Columbus Bank & Trust Company

Peter V. Ueberroth, *investor*
Managing Director
The management company
The Contrarian Group, Inc.

James B. Williams
President and Chief Executive Officer
SunTrust Banks, Inc.

Board of Directors

At The World of Coca-Cola's authentic 1930s soda shop: (standing, left to right) Charles W. Duncan, Jr., Donald F. McHenry, Paul F. Oreffice, William B. Turner, Cathleen P. Black, James T. Laney, Peter V. Ueberroth, (sitting, left to right) Donald R. Keough, Herbert A. Allen, Anne Cox Chambers, Roberto C. Goizueta, James D. Robinson, III, James B. Williams, Warren E. Buffett; (not pictured) James M. Sibley; (in uniform) "soda jerk" Terrance Collins.

Shareholder Information

Common Stock

Ticker symbol: KO

The Coca-Cola Company is one of 30 companies in the Dow Jones Industrial Average.

Common stock of The Coca-Cola Company is listed and traded on the New York Stock Exchange, which is the principal market for the common stock, and also is traded on the Boston, Cincinnati, Midwest, Pacific and Philadelphia stock exchanges. Outside the United States, the Company's common stock is listed and traded on the German exchange in Frankfurt and on Swiss exchanges in Zurich, Geneva, Bern, Basel and Lausanne.

Shareholders of record at year-end: 109,978

Shares outstanding at year-end: 668 million

Dividends

At its February 1991 meeting, the Company's Board of Directors increased the quarterly dividend to 24 cents per share, equivalent to an annual dividend of 96 cents per share. The Company has increased dividends each of the last 29 years.

The Coca-Cola Company normally pays dividends four times a year, usually on April 1, July 1, October 1 and December 15. The Company has paid 279 consecutive quarterly dividends, beginning in 1920.

Dividend and Cash Investment Plan

All shareholders of record are invited to participate in the Dividend and Cash Investment Plan. The Plan provides a convenient, economical and systematic method of acquiring additional shares of the Company's common stock. The Plan permits shareholders of record to reinvest dividends from Company stock in shares of The Coca-Cola Company. Shareholders also may purchase Company stock through voluntary cash investments of up to $60,000 per year.

All costs and commissions associated with joining and participating in the Plan are paid by the Company.

The Plan's administrator, First Chicago Trust Company of New York, purchases stock for voluntary cash investments on or about the first of each month, and for dividend reinvestment on April 1, July 1, October 1 and December 15.

At year-end, 33 percent of shareholders of record were participants in the Plan. In 1990, shareholders invested $9.75 million in dividends and $12 million in cash in the Plan.

Stock Prices

Below are the New York Stock Exchange high, low and closing prices of The Coca-Cola Company stock for each quarter of 1990 and 1989, adjusted for a two-for-one stock split in May 1990.

Quarter	1990 High	Low	Close
Fourth	**49.00**	**39.75**	**46.50**
Third	**48.38**	**37.25**	**39.50**
Second	**46.88**	**37.13**	**44.38**
First	**39.00**	**32.63**	**37.38**

Quarter	1989 High	Low	Close
Fourth	40.50	30.94	38.63
Third	34.63	28.00	33.50
Second	30.07	25.25	28.19
First	25.94	21.69	25.63

Annual Meeting of Shareholders

April 17, 1991 at 9:00 a.m. local time.
The Corporation Trust Company
1209 Orange Street
Wilmington, Delaware

Publications

The Company's annual report on *Form 10-K* and quarterly report on *Form 10-Q* are available free of charge from the Office of the Secretary, The Coca-Cola Company, P.O. Drawer 1734, Atlanta, Georgia 30301.

A Notice of Annual Meeting of Shareholders and *Proxy Statement* are furnished to shareholders in advance of the annual meeting. *Progress Reports,* containing financial results and other information, are distributed quarterly to shareholders.

Also available from the Office of the Secretary are *Coca-Cola, A Business System Toward 2000: Our Mission in the 1990s, The Chronicle of Coca-Cola Since 1886* and other booklets about the Company and its products.

Equal Opportunity Policy

The Coca-Cola Company maintains a long-standing commitment to equal opportunity and affirmative action. The Company strives to create a working environment free of discrimination and harassment with respect to race, sex, color, national origin, religion, age, handicap, or being a veteran of the Vietnam era as well as to make reasonable accommodations in the employment of qualified individuals with disabilities. The Company continued to increase minority and female representation in 1990. In addition, the Company provides fair marketing opportunities to all suppliers and maintains programs to increase transactions with firms that are owned and operated by minorities and women.

Corporate Offices
The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, Georgia 30313
(404) 676-2121

Mailing Address
The Coca-Cola Company
P.O. Drawer 1734
Atlanta, Georgia 30301

Shareholder Account Assistance
For address changes, dividend checks, account consolidation, registration changes, lost stock certificates, stock holdings and the Dividend and Cash Investment Plan:

Registrar and Transfer Agent
First Chicago Trust Company of New York
P.O. Box 3981
Church Street Station
New York, New York 10008-3981
1-800-446-2617
or
(212) 791-6422
or
Office of the Secretary
The Coca-Cola Company
(404) 676-2777

Institutional Investor Inquiries
(404) 676-5766

Annual Report Requests
1-800-438-2653

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The Coca-Cola Company